

The logo for Intralot, featuring the word "intralot" in a bold, lowercase, sans-serif font. The letters are black, and the word is underlined by a thick, orange, horizontal brushstroke that tapers to the right.

INTRALOT Group

**INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

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INTERIM FINANCIAL STATEMENTS
INCOME STATEMENT GROUP / COMPANY FOR THE NINE MONTHS OF 2019

| Amounts reported in thousand € | Note | GROUP | | COMPANY | |
|---|-----------------------|----------------|----------------------------|----------------|---------------|
| | | 1/1-30/9/2019 | 1/1-30/9/2018 ² | 1/1-30/9/2019 | 1/1-30/9/2018 |
| Sale Proceeds | 2.2 | 555.571 | 596.694 | 31.581 | 41.903 |
| Less: Cost of Sales | | -452.322 | -472.493 | -34.569 | -27.936 |
| Gross Profit / (loss) | | 103.249 | 124.201 | -2.988 | 13.967 |
| Other Operating Income | 2.3 | 13.545 | 10.931 | 342 | 122 |
| Selling Expenses | | -30.177 | -25.081 | -6.794 | -6.461 |
| Administrative Expenses | | -58.271 | -52.180 | -11.262 | -9.826 |
| Research and Development Expenses | | -2.987 | -3.566 | -2.987 | -3.566 |
| Other Operating Expenses | 2.7 | -8.515 | -3.548 | -553 | -1.443 |
| EBIT | 2.1.5 | 16.844 | 50.757 | -24.242 | -7.207 |
| EBITDA | 2.1.5 | 78.772 | 98.128 | -9.873 | 2.947 |
| Income/(expenses) from participations and investments | 2.5 | 10.755 | 2.570 | 8.986 | 10.444 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | 2.6 | -3.940 | -266 | -7 | 0 |
| Interest and similar expenses | 2.8 | -40.195 | -37.920 | -14.285 | -12.408 |
| Interest and similar income | 2.8 | 4.141 | 6.518 | 2.467 | 3.579 |
| Foreign exchange differences | 2.9 | 6.172 | 10.558 | 526 | -298 |
| Profit / (loss) from equity method consolidations | | 3.489 | -1.520 | 0 | 0 |
| Gain/(loss) on net monetary position | 2.23 | 386 | 48 | 0 | 0 |
| Operating Profit/(loss) before tax from continuing operations | | -2.348 | 30.745 | -26.555 | -5.890 |
| Tax | 2.4 | -15.257 | -17.055 | -2.101 | -414 |
| Profit / (loss) after tax from continuing operations (a) | | -17.605 | 13.690 | -28.656 | -6.304 |
| Profit / (loss) after tax from discontinued operations (b) ¹ | 2.20 | 5.280 | 8.244 | 0 | 0 |
| Profit / (loss) after tax (continuing and discontinued operations) (a)+(b) | | -12.325 | 21.934 | -28.656 | -6.304 |
| Attributable to: | | | | | |
| Equity holders of parent | | | | | |
| -Profit/(loss) from continuing operations | | -37.125 | -13.303 | -28.656 | -6.304 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 5.280 | 2.311 | 0 | 0 |
| | | -31.845 | -10.992 | -28.656 | -6.304 |
| Non-Controlling Interest | | | | | |
| -Profit/(loss) from continuing operations | | 19.520 | 26.993 | 0 | 0 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 0 | 5.933 | 0 | 0 |
| | | 19.520 | 32.926 | 0 | 0 |
| Earnings/(loss) after tax per share (in €) from total operations | | | | | |
| -basic | 2.20 | -0,2155 | -0,0714 | -0,1939 | -0,0410 |
| -diluted | 2.20 | -0,2155 | -0,0714 | -0,1939 | -0,0410 |
| Weighted Average number of shares | | 147.761.688 | 153.852.870 | 147.761.688 | 153.852.870 |

¹ The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#))

² Group's 2018 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.22)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE NINE MONTHS OF 2019

| Amounts reported in thousand € | Note | GROUP | | COMPANY | |
|--|----------------------|----------------|----------------|----------------|---------------|
| | | 1/1-30/9/2019 | 1/1-30/9/2018 | 1/1-30/9/2019 | 1/1-30/9/2018 |
| Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b) | | -12.325 | 21.934 | -28.656 | -6.304 |
| Attributable to: | | | | | |
| Equity holders of parent Company | | | | | |
| -Profit/(loss) from continuing operations | | -37.125 | -13.303 | -28.656 | -6.304 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 5.280 | 2.311 | 0 | 0 |
| | | -31.845 | -10.992 | -28.656 | -6.304 |
| Non-Controlling Interest | | | | | |
| -Profit/(loss) from continuing operations | | 19.520 | 26.993 | 0 | 0 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 0 | 5.933 | 0 | 0 |
| | | 19.520 | 32.926 | 0 | 0 |
| Other comprehensive income after tax | | | | | |
| Amounts that may not be reclassified to profit or loss: | | | | | |
| Defined benefit plans revaluation for subsidiaries and parent company | | 66 | -19 | 0 | 0 |
| Defined benefit plans revaluation for associates and joint ventures | | -79 | -105 | 0 | 0 |
| Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries | 2.12 | 1.474 | 2.213 | 1.325 | 31 |
| Amounts that may be reclassified to profit or loss: | | | | | |
| Derivatives valuation of parent and subsidiaries | | 0 | 18 | 0 | 18 |
| Exchange differences on subsidiaries consolidation | 2.15 | -141 | -27.867 | 0 | 0 |
| Share of exchange differences on consolidation of associates and joint ventures | 2.15 | 1.580 | -428 | 0 | 0 |
| Other comprehensive income/ (expenses) after tax | | 2.900 | -26.188 | 1.325 | 49 |
| Total comprehensive income / (expenses) after tax | | -9.425 | -4.254 | -27.331 | -6.255 |
| Attributable to: | | | | | |
| Equity holders of parent | | -26.589 | -28.888 | -27.331 | -6.255 |
| Non-Controlling Interest | | 17.164 | 24.634 | 0 | 0 |

¹ The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#))

INCOME STATEMENT GROUP / COMPANY FOR THE THIRD QUARTER OF 2019

| Amounts reported in thousand € | Note | GROUP | | COMPANY | |
|---|-----------------------|---------------|----------------------------|---------------|---------------|
| | | 1/7-30/9/2019 | 1/7-30/9/2018 ² | 1/7-30/9/2019 | 1/7-30/9/2018 |
| Sale Proceeds | 2.2 | 177.500 | 187.633 | 12.922 | 12.490 |
| Less: Cost of Sales | | -150.575 | -153.945 | -12.966 | -9.551 |
| Gross Profit / (loss) | | 26.925 | 33.688 | -44 | 2.939 |
| Other Operating Income | 2.3 | 3.664 | 3.837 | 32 | 36 |
| Selling Expenses | | -8.997 | -7.370 | -1.918 | -2.195 |
| Administrative Expenses | | -18.291 | -17.052 | -3.621 | -3.318 |
| Research and Development Expenses | | -742 | -699 | -742 | -699 |
| Other Operating Expenses | 2.7 | -3.655 | -82 | -48 | -50 |
| EBIT | 2.1.5 | -1.096 | 12.322 | -6.341 | -3.287 |
| EBITDA | 2.1.5 | 20.099 | 28.316 | -1.572 | -98 |
| Income/(expenses) from participations and investments | 2.5 | 7.921 | -163 | 3.325 | 1.238 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | 2.6 | -271 | -97 | 4 | 0 |
| Interest and similar expenses | 2.8 | -13.364 | -12.662 | -4.747 | -4.417 |
| Interest and similar income | 2.8 | 679 | 3.197 | 436 | 1.757 |
| Foreign exchange differences | 2.9 | 1.802 | 6.321 | 951 | 85 |
| Profit / (loss) from equity method consolidations | | -14 | -1.522 | 0 | 0 |
| Gain/(loss) on net monetary position | 2.23 | -49 | 48 | 0 | 0 |
| Operating Profit/(loss) before tax from continuing operations | | -4.392 | 7.444 | -6.372 | -4.624 |
| Tax | 2.4 | -3.099 | -6.491 | -1.092 | -275 |
| Profit / (loss) after tax from continuing operations (a) | | -7.491 | 953 | -7.464 | -4.899 |
| Profit / (loss) after tax from discontinued operations (b) ¹ | 2.20 | -3 | 4.080 | 0 | 0 |
| Profit / (loss) after tax (continuing and discontinued operations) (a)+(b) | | -7.494 | 5.033 | -7.464 | -4.899 |
| Attributable to: | | | | | |
| Equity holders of parent | | | | | |
| -Profit/(loss) from continuing operations | | -9.863 | -9.218 | -7.464 | -4.899 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | -3 | 1.310 | 0 | 0 |
| | | -9.866 | -7.908 | -7.464 | -4.899 |
| Non-Controlling Interest | | | | | |
| -Profit/(loss) from continuing operations | | 2.372 | 10.171 | 0 | 0 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 0 | 2.770 | 0 | 0 |
| | | 2.372 | 12.941 | 0 | 0 |
| Earnings/(loss) after tax per share (in €) from total operations | | | | | |
| -basic | 2.20 | -0,0668 | -0,0514 | -0,0505 | -0,0318 |
| -diluted | 2.20 | -0,0668 | -0,0514 | -0,0505 | -0,0318 |
| Weighted Average number of shares | | 147.761.688 | 153.852.870 | 147.761.688 | 153.852.870 |

¹ The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#))

² Group's 2018 comparative figures of "Sale Proceeds", "Cost of Sales", "Gross Profit / (Loss)" and "Selling Expenses" are reclassified pursuant to IFRS 15 (note 2.22)

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY FOR THE THIRD QUARTER OF 2019

| Amounts reported in thousand € | Note | GROUP | | COMPANY | |
|--|----------------------|---------------|----------------|---------------|---------------|
| | | 1/7-30/9/2019 | 1/7-30/9/2018 | 1/7-30/9/2019 | 1/7-30/9/2018 |
| Net Profit / (loss) after tax (continuing and discontinued operations) (a)+(b) | | -7.494 | 5.033 | -7.464 | -4.899 |
| Attributable to: | | | | | |
| Equity holders of parent Company | | | | | |
| -Profit/(loss) from continuing operations | | -9.863 | -9.218 | -7.464 | -4.899 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | -3 | 1.310 | 0 | 0 |
| | | -9.866 | -7.908 | -7.464 | -4.899 |
| Non-Controlling Interest | | | | | |
| -Profit/(loss) from continuing operations | | 2.372 | 10.171 | 0 | 0 |
| -Profit/(loss) from discontinued operations ¹ | 2.20 | 0 | 2.770 | 0 | 0 |
| | | 2.372 | 12.941 | 0 | 0 |
| Other comprehensive income after tax | | | | | |
| Amounts that may not be reclassified to profit or loss: | | | | | |
| Defined benefit plans revaluation for subsidiaries and parent company | | 15 | -31 | 0 | 0 |
| Defined benefit plans revaluation for associates and joint ventures | | -30 | 0 | 0 | 0 |
| Valuation of assets measured at fair value through other comprehensive income of parent and subsidiaries | 2.12 | -33 | -120 | 41 | 40 |
| Amounts that may be reclassified to profit or loss: | | | | | |
| Derivatives valuation of parent and subsidiaries | | 0 | -48 | 0 | -48 |
| Exchange differences on subsidiaries consolidation | 2.15 | 4.829 | -17.023 | 0 | 0 |
| Share of exchange differences on consolidation of associates and joint ventures | 2.15 | 1.356 | -2.882 | 0 | 0 |
| Other comprehensive income / (expenses) after tax | | 6.137 | -20.104 | 41 | -8 |
| Total comprehensive income / (expenses) after tax | | -1.357 | -15.071 | -7.423 | -4.907 |
| Attributable to: | | | | | |
| Equity holders of parent | | -4.009 | -23.135 | -7.423 | -4.907 |
| Non-Controlling Interest | | 2.652 | 8.064 | 0 | 0 |

¹ The activities of Group subsidiaries Azerinteltek AS (Azerbaijan) and Totolotek SA (Poland) are presented as discontinued operations pursuant to IFRS 5 (note [2.20.A.VIII](#))

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

| Amounts reported in thousand € | Note | GROUP | | COMPANY | |
|--|----------------------|----------------|----------------|----------------|----------------|
| | | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| ASSETS | | | | | |
| Tangible assets | 2.10 | 176.699 | 133.360 | 25.021 | 18.890 |
| Investment property | 2.10 | 36 | 39 | 0 | 0 |
| Intangible assets | 2.10 | 274.567 | 302.332 | 83.839 | 90.810 |
| Investment in subsidiaries, associates and joint ventures | 2.11 | 133.263 | 133.198 | 128.616 | 135.908 |
| Other financial assets | 2.12 | 402 | 16.042 | 42 | 1.213 |
| Deferred Tax asset | | 8.614 | 7.717 | 0 | 0 |
| Other long term receivables | | 4.053 | 8.832 | 120 | 146 |
| Total Non-Current Assets | | 597.634 | 601.520 | 237.638 | 246.967 |
| Inventories | 2.13 | 38.082 | 45.583 | 16.784 | 14.831 |
| Trade and other short term receivables | 2.19 | 123.816 | 133.864 | 88.181 | 110.370 |
| Other financial assets | 2.12 | 0 | 637 | 0 | 0 |
| Cash and cash equivalents | 2.14 | 133.719 | 162.461 | 21.630 | 33.146 |
| Total Current Assets | | 295.617 | 342.545 | 126.595 | 158.347 |
| TOTAL ASSETS | | 893.251 | 944.065 | 364.233 | 405.314 |
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 2.15 | 47.089 | 47.089 | 47.089 | 47.089 |
| Treasury shares | 2.15 | -8.528 | -8.528 | -8.528 | -8.528 |
| Other reserves | 2.15 | 66.733 | 64.962 | 55.173 | 53.125 |
| Foreign exchange differences | 2.15 | -84.123 | -87.955 | 0 | 0 |
| Retained earnings | 2.16 | -38.452 | -9.268 | -64.183 | -34.804 |
| Total equity attributable to shareholders of the parent | | -17.281 | 6.300 | 29.551 | 56.882 |
| Non-Controlling Interest | | 7.960 | 28.145 | 0 | 0 |
| Total Equity | | -9.321 | 34.445 | 29.551 | 56.882 |
| Long term debt | 2.17 | 732.546 | 735.297 | 275.378 | 286.380 |
| Staff retirement indemnities | | 3.292 | 5.111 | 2.706 | 3.249 |
| Other long term provisions | 2.20 | 9.574 | 7.560 | 9.500 | 7.446 |
| Deferred Tax liabilities | | 11.193 | 11.294 | 5.630 | 5.657 |
| Other long term liabilities | 2.19 | 1.759 | 2.256 | 201 | 273 |
| Long term lease liabilities | 2.21 | 13.102 | 1.797 | 1.638 | 0 |
| Total Non-Current Liabilities | | 771.466 | 763.315 | 295.053 | 303.005 |
| Trade and other short term liabilities | 2.19 | 103.212 | 96.780 | 38.860 | 45.276 |
| Short term debt and lease liabilities | 2.17 | 22.040 | 40.655 | 716 | 0 |
| Current income tax payable | | 3.221 | 3.519 | 0 | 0 |
| Short term provision | 2.20 | 2.633 | 5.351 | 53 | 151 |
| Total Current Liabilities | | 131.106 | 146.305 | 39.629 | 45.427 |
| TOTAL LIABILITIES | | 902.572 | 909.620 | 334.682 | 348.432 |
| TOTAL EQUITY AND LIABILITIES | | 893.251 | 944.065 | 364.233 | 405.314 |

STATEMENT OF CHANGES IN EQUITY GROUP

| STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €) | Share Capital | Treasury Shares | Legal Reserve | Other Reserves | Foreign exchange differences | Retained Earnings | Total | Non- Controlling Interest | Grand Total |
|---|------------------|--------------------|------------------|-------------------|------------------------------------|----------------------|----------------|---------------------------------|----------------|
| Opening Balance January 1, 2019 | 47.089 | -8.528 | 24.795 | 40.167 | -87.955 | -9.268 | 6.300 | 28.145 | 34.445 |
| Effect on retained earnings from previous years adjustments | | | | | | -160 | -160 | -25 | -185 |
| New consolidated entities | | | | | | 171 | 171 | | 171 |
| Period's results | | | | | | -31.845 | -31.845 | 19.520 | -12.325 |
| Other comprehensive income / (expenses) after tax | | | | 1.471 | 3.832 | -47 | 5.256 | -2.356 | 2.900 |
| Dividends to equity holders of parent / non-controlling interest | | | | | | | 0 | -34.307 | -34.307 |
| Share option of associate companies | | | | | | 198 | 198 | | 198 |
| Sales / liquidation of subsidiaries | | | | | | | 0 | -131 | -131 |
| Effect due to change in participation percentage | | | | | | 2.828 | 2.828 | -2.857 | -29 |
| Adjustment to net monetary position | | | 146 | | | -175 | -29 | -29 | -58 |
| Transfer between reserves | | | -508 | 662 | | -154 | 0 | | 0 |
| Balances as at September 30, 2019 | 47.089 | -8.528 | 24.433 | 42.300 | -84.123 | -38.452 | -17.281 | 7.960 | -9.321 |

| STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €) | Share Capital | Treasury Shares | Legal Reserve | Other Reserves | Foreign exchange differences | Retained Earnings | Total | Non- Controlling Interest | Grand Total |
|--|------------------|--------------------|------------------|-------------------|------------------------------------|----------------------|----------------|---------------------------------|----------------|
| Opening Balance January 1, 2018 prior to the application of IFRS 9, 15 & IAS 29 | 47.689 | -2.149 | 28.201 | 28.537 | -76.747 | 32.291 | 57.822 | 31.966 | 89.788 |
| Effect from the application of IFRS 15 | | | | | | -937 | -937 | | -937 |
| Effect from the application of IFRS 9 | | | | | | -5.738 | -5.738 | | -5.738 |
| Effect from the application of IFRS 29 | | | 626 | | | -33 | 593 | 593 | 1.186 |
| Opening Balance January 1, 2018 after the application of IFRS 9, 15 & IAS 29 | 47.689 | -2.149 | 28.827 | 28.537 | -76.747 | 25.583 | 51.740 | 32.559 | 84.299 |
| Effect on retained earnings from previous years adjustments | | | | | | -68 | -68 | -13 | -81 |
| New consolidated associate companies | | | | -10 | | | -10 | | -10 |
| Period's results | | | | | | -10.992 | -10.992 | 32.926 | 21.934 |
| Other comprehensive income / (expenses) after tax | | | | 2.232 | -20.013 | -115 | -17.896 | -8.292 | -26.188 |
| Dividends to equity holders of parent / non-controlling interest | | | | | | | 0 | -31.178 | -31.178 |
| Effect due to change in participation percentage | | | | | | -768 | -768 | 768 | 0 |
| Repurchase of treasury shares | | -8.588 | | | | | -8.588 | | -8.588 |
| Cancellation of treasury shares | -600 | 2.209 | | | | -1.609 | 0 | | 0 |
| Share option of associate companies | | | | | | 72 | 72 | | 72 |
| Adjustment to net monetary position | | | 179 | | | | 179 | 179 | 358 |
| Transfer between reserves | | | 156 | | | -156 | 0 | | 0 |
| Balances as at September 30, 2018 | 47.089 | -8.528 | 29.162 | 30.759 | -96.760 | 11.947 | 13.669 | 26.949 | 40.618 |

STATEMENT OF CHANGES IN EQUITY COMPANY

| STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €) | Share Capital | Treasury Shares | Legal Reserve | Other Reserves | Retained Earnings | Total |
|---|------------------|--------------------|---------------|-------------------|----------------------|---------|
| Opening Balance January 1, 2019 | 47.089 | -8.528 | 15.896 | 37.229 | -34.804 | 56.882 |
| Period's results | | | | | -28.656 | -28.656 |
| Other comprehensive income /(expenses) after tax | | | | 1.325 | | 1.325 |
| Transfer between reserves | | | | 723 | -723 | 0 |
| Balances as at September 30, 2019 | 47.089 | -8.528 | 15.896 | 39.277 | -64.183 | 29.551 |

| STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €) | Share Capital | Treasury Shares | Legal Reserve | Other Reserves | Retained Earnings | Total |
|--|------------------|--------------------|---------------|-------------------|----------------------|--------|
| Opening Balance January 1, 2018 prior to the application of IFRS 9 & 15 | 47.689 | -2.149 | 15.896 | 27.683 | -4.558 | 84.561 |
| Effect from the application of IFRS 15 | | | | | -333 | -333 |
| Effect from the application of IFRS 9 | | | | | -2.688 | -2.688 |
| Opening Balance January 1, 2018 after the application of IFRS 9 & 15 | 47.689 | -2.149 | 15.896 | 27.683 | -7.579 | 81.540 |
| Period's results | | | | | -6.304 | -6.304 |
| Other comprehensive income /(expenses) after tax | | | | 49 | | 49 |
| Repurchase of treasury shares | | -8.588 | | | | -8.588 |
| Cancelation of treasury shares | -600 | 2.209 | | | -1.609 | 0 |
| Balances as at September 30, 2018 | 47.089 | -8.528 | 15.896 | 27.732 | -15.492 | 66.697 |

CASH FLOW STATEMENT GROUP/COMPANY

| Amounts reported in thousand of € (total operations) | Note | GROUP | | COMPANY | |
|--|--|-------------------|-------------------|-------------------|-------------------|
| | | 1/1- 30/9/2019 | 1/1- 30/9/2018 | 1/1- 30/9/2019 | 1/1- 30/9/2018 |
| Operating activities | | | | | |
| Profit / (loss) before tax from continuing operations | | -2.348 | 30.745 | -26.555 | -5.890 |
| Profit / (loss) before tax from discontinued operations | 2.20 | 5.280 | 15.585 | 0 | 0 |
| Profit / (loss) before Taxation | | 2.932 | 46.330 | -26.555 | -5.890 |
| Plus / Less adjustments for: | | | | | |
| Depreciation and Amortization | | 62.029 | 48.061 | 14.369 | 10.154 |
| Provisions | | 5.324 | 1.219 | 212 | 1.501 |
| Results (income, expenses, gain and loss) from Investing Activities | | -27.880 | -11.762 | -9.505 | -10.148 |
| Interest and similar expenses | 2.8 | 40.278 | 38.228 | 14.285 | 12.408 |
| Interest and similar Income | 2.8 | -4.142 | -6.683 | -2.467 | -3.579 |
| (Gain) / loss on net monetary position | 2.23 | -386 | -48 | 0 | 0 |
| Plus / Less adjustments for changes in working capital: | | | | | |
| Decrease / (increase) of Inventories | | 1.293 | -18.513 | 1.578 | 1.104 |
| Decrease / (increase) of Receivable Accounts | | -676 | 11.509 | 12.643 | 750 |
| (Decrease) / increase of Payable Accounts (except Banks) | | 4.073 | -27.340 | -2.995 | -17.561 |
| Less: Income Tax Paid | | 8.150 | 20.709 | 0 | 0 |
| Total inflows / (outflows) from operating activities (a) | | 74.695 | 60.292 | 1.565 | -11.261 |
| Investing Activities | | | | | |
| (Purchases) / Sales of subsidiaries, associates, joint ventures and other investments | 2.12 2.20 | 28.295 | -3.609 | 2.496 | 0 |
| Purchases of tangible and intangible assets | 2.10 | -44.290 | -65.364 | -6.761 | -13.445 |
| Proceeds from sales of tangible and intangible assets | 2.10 | 241 | 372 | 59 | 0 |
| Interest received | | 3.945 | 4.089 | 2.272 | 666 |
| Dividends received | | 8.770 | 7.555 | 14.700 | 9.952 |
| Total inflows / (outflows) from investing activities (b) | | -3.039 | -56.957 | 12.766 | -2.827 |
| Financing Activities | | | | | |
| Repurchase of treasury shares | 2.15 | 0 | -8.589 | 0 | -8.589 |
| Proceeds from loans | 2.17 | 68.407 | 60.266 | 0 | 15.000 |
| Repayment of loans | 2.17 | -79.337 | -45.396 | -19.500 | 0 |
| Bonds buy back | 2.17 | -2.407 | -5.004 | 0 | 0 |
| Repayments of lease liabilities | 2.17 | -5.727 | -4.227 | -369 | 0 |
| Interest and similar expenses paid | | -47.021 | -47.960 | -5.845 | 454 |
| Dividends paid | 2.16 | -36.352 | -31.475 | 0 | 0 |
| Total inflows / (outflows) from financing activities (c) | | -102.437 | -82.385 | -25.714 | 6.865 |
| Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) | | -30.781 | -79.050 | -11.383 | -7.223 |
| Cash and cash equivalents at the beginning of the period | 2.14 | 162.461 | 238.041 | 33.146 | 20.434 |
| Net foreign exchange difference | | 2.039 | -7.619 | -133 | -180 |
| Cash and cash equivalents at the end of the period from total operations | 2.14 | 133.719 | 151.372 | 21.630 | 13.031 |

1. GENERAL INFORMATION

INTRALOT S.A. – “Integrated Lottery Systems and Gaming Services”, with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic, whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers’ efficiency, profitability and growth. With presence in 47 countries and states, with approximately 4.500 employees and revenues from continuing operations of €0,8 billion for 2018, INTRALOT has established its presence on all 5 major continents.

The interim financial statements of the Group and the Company for the period ended September 30, 2019 were approved by the Board of Directors on November 29, 2019.

2. NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the financial assets measured at fair value through other comprehensive income and the derivative financial instruments that are measured at fair value, or at cost if the difference is not a significant amount, and on condition that the Company and the Group would continue as a going concern. The attached financial statements are presented in Euros and all values are rounded to the nearest thousand (€’000) except if indicated otherwise.

2.1.2 Statement of compliance

These financial statements for the period ended September 30, 2019 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Those interim condensed financial statements do not include all the information and disclosures required by IFRS in the annual financial statements and should be read in conjunction with the Group’s and Company’s annual financial statements as at [December 31, 2018](#).

2.1.3 Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) Law 4308/2014 chap. 2, 3 & 4 and current tax regulations and issues its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT’s Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with GAS (L.4308/2014), the International Financial Reporting Standards (IFRS) and current tax regulations. INTRALOT’s foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries. For the purpose of the consolidated financial statements, Group entities’ financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

2.1.4 Changes in accounting policies

For the preparation of the financial statements of period ended September 30, 2019, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements ([December 31, 2018](#)), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2019.

Standards and Interpretations compulsory for the fiscal year 2019

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2019. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IFRS 16 "Leases"

(COMMISSION REGULATION (EU) No. 2017/1986 of 31st October 2017, L 291/1 - 9/11/2017)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.

In January 2016, the IASB issued a new accounting Standard, called IFRS 16 "Leases" that replaces IAS 17 "Leases", and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

As for lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

- (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

As for lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The new accounting standard affected the accounting treatment of the operating leases of the Group as a lessee. The Group applied IFRS 16 since 1/1/2019, using the simplified transition method ("modified retrospective approach"), without restatement of comparative figures for prior years.

Based on the previous standard (IAS 17), the Group (as lessee) classified the leases as either financial (where the Group retained virtually all the risks and rewards of ownership) or as operating assets. Finance leases were capitalized at the beginning of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each rental was apportioned between the liability and the financial charges. The portion of the financing cost of the lease that accounted for interest was recognized in the income statement during the lease term, while the corresponding lease obligations were recognized under "Long term lease liabilities" and "Short term lease liabilities". Leases where a significant portion of the risks and rewards of ownership were retained by the lessor were classified as operating leases and were not capitalized, while operating leases were recognized in the Income Statement proportionally over the lease term. Any prepaid rentals were included in the "Other long term receivables" and "Trade and other short term receivables" accounts, while accrued rentals were included under "Trade and other short term liabilities".

Following the first application of IFRS 16 on 1/1/2019, the Group applied the following:

A) Leases previously classified as finance leases:

The Group did not change the pre-existing carrying amounts of tangible assets and finance lease liabilities at the application date of IFRS 16 for leases that were classified as finance leases (right-of-use assets and lease liabilities are equal to leased assets and liabilities under IAS 17). The requirements of IFRS 16 have been applied to these leases since 1 January 2019.

B) Leases previously classified as operating leases:

The Group recognized right-of-use assets and liabilities for these agreements that were previously clarified as operating ones, apart from the standard exemptions for leasing contracts with a remaining term less than twelve months at the initial standard application date, for contracts with a low value leased asset, as well as for short term contracts. The Group applied the simplified transition method ("modified retrospective approach"), based on which recognized:

- a) Liability for leasing, which is measured as the present value through discounting of future rentals applying the incremental borrowing rate as of the standard initial application date, and
- b) "right-of-use asset", which is recognised at an amount equal to the relevant liability for leasing, adjusted for prepayments and accrued lease payments that had been recognized in Statement of Financial Position as of 31/12/2018.

For the leases in which the Group's has rights to extend the lease or to terminate the lease, a management assessment was made, whether there is certainty that the rights will be exercised or not based on the previous experience and the business plan of the Group.

The effect (increase / (decrease)) from the application of IFRS 16 on 1/1/2019 was as follows:

| | | 1/1/2019 |
|--|---|-----------------|
| Tangible assets ("right-of-use assets") | Right-of-use Buildings and Installations | 19.232 |
| | Right-of-use Transport Equipment | 2.412 |
| | Right-of-use machinery and equipment | 72 |
| Other long term receivables | Other receivables | (345) |
| Total Non-Current Assets | | 21.371 |
| Trade and other short term receivables | Prepaid expenses and other receivables | (380) |
| | Other receivables from related entities and other related parties | (6.076) |
| Total Current Assets | | (6.456) |
| TOTAL ASSETS | | 14.915 |
| Trade and other short term liabilities | Other Creditors | (117) |
| Short term debt and lease liabilities | Short term lease liabilities from third parties | 220 |
| | Short term lease liabilities from other related parties | 44 |
| Total Current Liabilities | | 147 |
| Long term lease liabilities | Long term lease liabilities from third parties | 11.777 |
| | Long term lease liabilities from related parties | 2.991 |
| Total Non-Current Liabilities | | 14.768 |
| TOTAL LIABILITIES | | 14.915 |

The Group had no impact on equity by the initial application of IFRS 16.

C) Reconciliation of Commitments from operating leases disclosed as at 31/12/2018 (according to IAS 17) with Lease liabilities recognized as at 1/1/2019 (according to IFRS 16)

| | GROUP | COMPANY |
|--|---------------|--------------|
| Operating lease commitments disclosed as at 31/12/2018 | 20.540 | 2.884 |
| Weighted average incremental borrowing rate as at 1/1/2019 | 6,35% | 6,41% |
| Discounted lease commitments applying incremental borrowing rate as at 1/1/2019 | 16.775 | 2.440 |
| Add: finance lease liabilities as at 1/1/2019 according to IAS 17 | 3.523 | 0 |
| Less: IFRS 16 exemptions for short term leases as at 1/1/2019 | -1.467 | -114 |
| Less: IFRS 16 exemptions for leases of low value assets as at 1/1/2019 | -6 | 0 |
| Other adjustments | -270 | 0 |
| Lease liabilities recognised as at 1/1/2019 | 18.555 | 2.326 |
| Long term lease liabilities | 16.565 | 2.325 |
| Short term lease liabilities | 1.990 | 0 |
| Total lease liabilities recognised as at 1/1/2019 | 18.555 | 2.326 |

D) Recognition of leases in financial statements of 30/9/2019:

Following the initial recognition, the Group remeasures the right-of-use assets and depreciates them on a straight line basis through the whole leasing term. Respectively, the Group remeasures the above lease liabilities and increases/decreases them through the recognition of the relevant interest and the lease payments.

- Statement of Financial Position

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

| | RIGHT OF USE ASSETS | | | |
|---|---------------------|---------------------|-----------------------|---------------|
| | LAND & BUILDINGS | TRANSPORT EQUIPMENT | MACHINERY & EQUIPMENT | TOTAL |
| Opening Balance before IFRS 16 first application | 2 | 48 | 5.546 | 5.596 |
| IFRS 16 first application | 19.232 | 2.412 | 72 | 21.716 |
| Opening Balance after IFRS 16 first application | 19.234 | 2.460 | 5.618 | 27.312 |
| Additions | 5.416 | 443 | 70 | 5.929 |
| Termination/expiry of contracts | -260 | -98 | 0 | -358 |
| Foreign Exchange differences | 159 | 54 | 192 | 405 |
| Effect from IAS 29 | 170 | 3 | 0 | 173 |
| Transfer in between assets | 3 | 0 | 0 | 3 |
| Impairment/write off | -3 | 0 | 0 | -3 |
| Depreciation | -3.121 | -815 | -1.749 | -5.685 |
| Closing Balance | 21.598 | 2.047 | 4.131 | 27.776 |

- Income Statement

Below amounts recognised in Income Statement:

| (continuing operations) | 1/1-30/9/2019 |
|---|---------------|
| Depreciation from right of use assets | 5.685 |
| Interest expenses from lease liabilities | 662 |
| Rental expenses from short term contracts | 2.635 |
| Rental expenses from contracts of low value assets | 83 |
| Total amounts recognised in Income Statement | 9.065 |

The positive impact on Group EBITDA for the nine months of 2019, was approximately €4,0 million, since according to IAS 17 payments from operating leases were included in EBITDA, while after the application of IFRS 16 the right-of-use assets depreciation charges and the liabilities interest charges are not included in EBITDA calculation. Finally, Group cash flows from operating activities increased in the nine months of 2019,

and respectively cash flows from financing activities decreased for an amount of approximately €3,7 million, since payments for liabilities principal and interest are classified as cash flows from financing activities.

IFRS 9 (Amendment) "Financial Instruments"

(COMMISSION REGULATION (EU) No. 2018/498 of 22nd March 2018, L 82/3 -26/3/2018)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted. In October 2017, the IASB issued amendments in IFRS 9 "Financial Instruments" allowing companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

These amendments do not affect Group financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

(COMMISSION REGULATION (EU) No. 2019/237 of 8th February 2019, L 39/1 - 11/2/2019)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted. In October 2017 the IASB issued amendments in IAS 28 "Investments in Associates and Joint Ventures" clarifying that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

These amendments do not affect Group financial statements.

IAS 19 (Amendment) "Employee benefits"

(COMMISSION REGULATION (EU) No. 2019/402 of 13th March 2019, L 72/6 - 14/3/2019)

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted. In February 2018 the IASB issued amendments in IAS 19 "Employee benefits" that require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan. By requiring the use of updated assumptions, the amendments are expected to provide useful information to users of financial statements.

These amendments do not significantly affect the Group's financial statements.

IFRIC 23 "Uncertainty over Income Tax Treatments"

(COMMISSION REGULATION (EU) No. 2018/1595 of 23rd October 2018, L 265/3 -24/10/2018)

This applies to annual accounting periods starting on or after 1st January 2019.

In June 2017 the IASB issued the Interpretation IFRIC 23 "Uncertainty over Income Tax Treatments" to specify how to reflect uncertainty in accounting for income taxes.

These amendments do not significantly affect the Group's financial statements.

Amendments that regard part of the annual improvement program of IASB (International Accounting Standards Board)**Annual Improvements to IFRSs 2015-2017 Cycle**

(COMMISSION REGULATION (EU) No. 2019/412 of 14th March 2019, L 73/93 - 15/3/2019)

IASB in its annual improvement program, published in December 2017 a Cycle of narrow-scope amendments to existing Standards that apply to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted.

These amendments do not significantly affect the Group's financial statements.

IFRS 3 “Business Combinations”

The amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 “Joint Arrangements”

The amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 “Income Taxes”

The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 “Borrowing Costs”

The amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations compulsory after 31 December 2019

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2020 and have not been adopted from the Group earlier.

IFRS 3 (Amendment) “Business Combinations”

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted. In October 2018 the IASB issued narrow-scope amendments to IFRS 3 “Business Combinations” to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognizes goodwill only when acquiring a business.

The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IAS 1 & IAS 8 (Amendments) “Clarification of “material” definition”

This applies to annual accounting periods starting on or after 1st January 2020. Earlier application is permitted. In October 2018 the IASB issued amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” regarding its definition of material to make it easier for companies to make materiality judgments. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The amendments are a response to findings that some companies experienced difficulties using the old definition when judging whether information was material for inclusion in the financial statements. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).

New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments have not yet been endorsed by the European Union.

IFRS 17 “Insurance Contracts”

This applies to annual accounting periods starting on or after 1st January 2021. Earlier application is permitted. In May 2017, the IASB issued a new accounting Standard, called IFRS 17 “Insurance Contracts” that replaces IFRS 4 “Insurance Contracts”, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values, instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements.

This new standard does not affect Group financial statements and has not yet been endorsed by the European Union.

Revision of the Conceptual Framework for Financial Reporting

This applies to annual accounting periods starting on or after 1st January 2020.

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The Group will assess the impact of the new framework on its financial statements.

These revisions have not yet been endorsed by the European Union.

Amendments to References to the Conceptual Framework in IFRS Standards

This applies to annual accounting periods starting on or after 1st January 2020.

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework.

The Group will assess the impact of the new framework on its financial statements.

These amendments have not yet been endorsed by the European Union.

2.1.5 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets", "Gain/(loss) from assets disposal" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Profit/(loss) on net monetary position", "Exchange Differences", "Interest and similar income", "Interest and similar expenses", "Income/(expenses) from participations and investments", "Write-off and impairment loss of assets" and "Gain/(loss) from assets disposal".

| Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations): | GROUP | |
|---|---------------|---------------|
| | 1/1-30/9/2019 | 1/1-30/9/2018 |
| Operating profit/(loss) before tax | -2.348 | 30.745 |
| Profit/(loss) on net monetary position | -386 | -48 |
| Profit/(loss) equity method consolidation | -3.489 | 1.520 |
| Foreign exchange differences | -6.172 | -10.558 |
| Interest and similar income | -4.141 | -6.518 |
| Interest and similar expenses | 40.195 | 37.920 |
| Income / (expenses) from participations and investments | -10.755 | -2.570 |
| Gain / (loss) from assets disposal, impairment losses & write-off of assets | 3.940 | 266 |
| EBIT | 16.844 | 50.757 |
| Depreciation and amortization | 61.928 | 47.371 |
| EBITDA | 78.772 | 98.128 |

| Reconciliation of operating profit before tax to EBIT and EBITDA (continuing operations): | COMPANY | |
|---|----------------|---------------|
| | 1/1-30/9/2019 | 1/1-30/9/2018 |
| Operating profit/(loss) before tax | -26.555 | -5.890 |
| Foreign exchange differences | -526 | 298 |
| Interest and similar income | -2.467 | -3.579 |
| Interest and similar expenses | 14.285 | 12.408 |
| Income / (expenses) from participations and investments | -8.986 | -10.444 |
| Gain / (loss) from assets disposal, impairment losses & write-off of assets | 7 | 0 |
| EBIT | -24.242 | -7.207 |
| Depreciation and amortization | 14.369 | 10.154 |
| EBITDA | -9.873 | 2.947 |

Project EBITDA of the Company

For the calculation of the project EBITDA of the Company, the direct costs of the projects are allocated directly to the projects for which they are carried out. Payroll costs related to the Company's production segments are recorded in "Cost of Sales" and are allocated to projects based on man effort at Company level. "Distribution Expenses" and "Administration Expenses" are monitored per project and allocated to them based on man effort at Company level. "Research and Development Expenses" are allocated to the projects in proportion to the revenues of each project in the total revenue of the Company. Furthermore, for the calculation of the Company's "Gross" results per project, the relevant depreciation of tangible and intangible assets are accounted and the allocated operating "Distribution", "Administration" and "Research and Development" expenses are deducted. In cases where the hours of work are redistributed from one project to another then the costs of disposal, administration and research and development are calculated accordingly.

2.1.6 Significant accounting judgments estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables – expected credit losses, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date of the interim condensed financial statements for the period ended on September 30, 2019 and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are consistent with those applied and were valid at the reporting date of the annual financial statements [December 31, 2018](#).

2.1.7 Seasonality and cyclicity of operations

The Group revenue can fluctuate due to seasonality in some components of the worldwide operations. In particular, the majority of the Group sports betting revenue is generated from bets placed on European football, which has an off-season in the European summer that typically causes a corresponding periodic decrease in the Group revenue. In addition, Group revenue from lotteries can be somewhat dependent on the size of jackpots of lottery games during the relevant period. The Group revenue may also be affected by the scheduling of major football events that do not occur annually, notably the FIFA World Cup and UEFA European Championships, and by the performance of certain teams within specific tournaments, particularly where the national football teams, in the markets where the Group earns the majority of its revenue, fail to qualify for the World Cup. Furthermore, the cancellation or curtailment of significant sporting events, for example due to adverse weather, traffic or transport disruption or civil disturbances, may also affect Group revenue. This information is provided to allow for a better understanding of the revenue, however, Group management has concluded that this is not “highly seasonal” in accordance with IAS 34.

2.2 INFORMATION PER SEGMENT

Intralot Group manages in 47 countries and states an expanded portfolio of contracts and gaming licenses. The grouping of the Group companies is based on the geographical location in which they are established. The financial results of the Group are presented in the following operating geographic segments based on the geographic location of the Group companies:

| | |
|------------------|--|
| European Union: | Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, Germany, Slovakia, Croatia and Republic of Ireland. |
| Other Europe: | Russia, Moldova. |
| America: | USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Uruguay, and St. Lucia. |
| Other Countries: | Australia, New Zealand, China, South Africa, Turkey, South Korea, Lebanon, Azerbaijan, Taiwan and Morocco. |

No operating segments have been added.

The following information is based on the internal financial reports provided to the manager responsible for taking decisions who is the CEO. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments as those of the consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in group level and are included in the column "Eliminations".

Scheduled United Kingdom leave from the European Union (BREXIT)

The Group expects the final agreement on the leave of the United Kingdom from the European Union (BREXIT) to assess any impact. It is noted that the Group does not have any significant commercial activity in the United Kingdom except for bank facilities agreements through its subsidiary Intralot Finance UK Ltd.

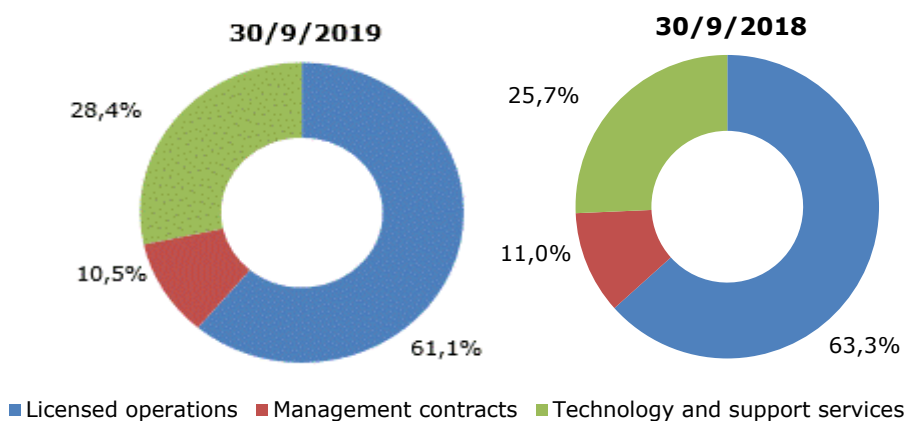
| 1/1-30/9/2019 (in million €) | European Union | Other Europe | America | Other Countries | Eliminations | Total |
|---|----------------|--------------|---------------|-----------------|---------------|---------------|
| Sales to third parties | 331,45 | 0,00 | 150,03 | 74,09 | 0,00 | 555,57 |
| Intragroup sales | 35,25 | 0,00 | 0,31 | 0,20 | -35,76 | 0,00 |
| Total Sales | 366,70 | 0,00 | 150,34 | 74,29 | -35,76 | 555,57 |
| Gross Profit/(loss) | 34,60 | -1,37 | 24,18 | 55,59 | -9,75 | 103,25 |
| (Debit)/Credit interest & similar (expenses)/income | -33,91 | 0,15 | -5,04 | 1,39 | 1,36 | -36,05 |
| Depreciation/Amortization | -34,56 | -1,51 | -23,43 | -4,46 | 2,03 | -61,93 |
| Profit/(loss) consolidated with equity method | 4,57 | 0,00 | 1,83 | -2,91 | 0,00 | 3,49 |
| Write-off & impairment of assets | -0,01 | 0,01 | -0,49 | -3,44 | 0,00 | -3,93 |
| Write-off & impairment of investments | -7,79 | 0,00 | 0,00 | 0,00 | 7,79 | 0,00 |
| Doubtful provisions, write-off & impairment of receivables | -2,60 | 0,00 | -1,68 | -0,52 | 3,78 | -1,02 |
| Reversal of doubtful provisions & recovery of written off receivables | 0,20 | 0,00 | 0,00 | 0,02 | -0,20 | 0,02 |
| Reversal of provisions for participations impairment | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Profit/(Loss) before tax and continuing operations | 6,23 | -1,82 | 4,21 | 17,91 | -28,88 | -2,35 |
| Tax | -6,51 | 0,03 | -2,06 | -6,72 | 0,00 | -15,26 |
| Profit/(Loss) after tax from continuing operations | -0,28 | -1,79 | 2,15 | 11,19 | -28,88 | -17,61 |
| Profit/(Loss) after tax from discontinued operations | 0,00 | 0,00 | 0,00 | 0,00 | 5,28 | 5,28 |
| Profit/(Loss) after tax from total operations | -0,28 | -1,79 | 2,15 | 11,19 | -23,60 | -12,33 |

| 1/1-30/9/2018 (in million €) | European Union | Other Europe | America | Other Countries | Eliminations | Total |
|--|----------------|--------------|---------------|-----------------|---------------|---------------|
| Sales to third parties | 362,92 | 1,34 | 152,10 | 80,33 | 0,00 | 596,69 |
| Intragroup sales | 37,08 | 0,00 | 0,30 | 0,04 | -37,42 | 0,00 |
| Total Sales | 400,00 | 1,34 | 152,40 | 80,37 | -37,42 | 596,69 |
| Gross Profit/(loss) | 54,04 | -0,37 | 17,52 | 60,32 | -7,31 | 124,20 |
| (Debit)/Credit interest & similar (expenses)/income | -31,67 | 0,16 | -3,63 | 3,04 | 0,70 | -31,40 |
| Depreciation/Amortization | -25,66 | -1,13 | -16,77 | -5,83 | 2,02 | -47,37 |
| Profit/(loss) consolidated with equity method | -0,89 | 0,00 | 1,41 | -2,04 | 0,00 | -1,52 |
| Write-off & impairment of assets | -0,12 | 0,00 | -0,12 | 0,00 | 0,00 | -0,24 |
| Write-off & impairment of investments | -0,30 | 0,00 | -0,02 | 0,00 | 0,32 | 0,00 |
| Doubtful provisions, write-off & impairment of receivables | 4,02 | 0,00 | -0,23 | -0,52 | -3,84 | -0,57 |
| Profit/(Loss) before tax and continuing operations | 49,53 | -0,35 | 0,11 | 44,88 | -63,42 | 30,75 |
| Tax | -3,03 | -0,14 | -3,34 | -10,55 | 0,00 | -17,06 |
| Profit/(Loss) after tax from continuing operations | 46,50 | -0,49 | -3,23 | 34,33 | -63,42 | 13,69 |
| Profit/(Loss) after tax from discontinued operations | -2,69 | 0,00 | 0,00 | 9,93 | 1,00 | 8,24 |
| Profit/(Loss) after tax from total operations | 43,81 | -0,49 | -3,23 | 44,26 | -62,42 | 21,93 |

| Sales per business activity (continuing operations) | | | |
|---|------------------|------------------|---------------|
| <i>(in thousand €)</i> | 30/9/2019 | 30/9/2018 | change |
| Licensed operations | 339.629 | 377.638 | -10,06% |
| Management contracts | 58.191 | 65.381 | -11,00% |
| Technology and support services | 157.751 | 153.675 | 2,65% |
| Total | 555.571 | 596.694 | -6,89% |

The sales of the above business activities are coming from all geographical segments.

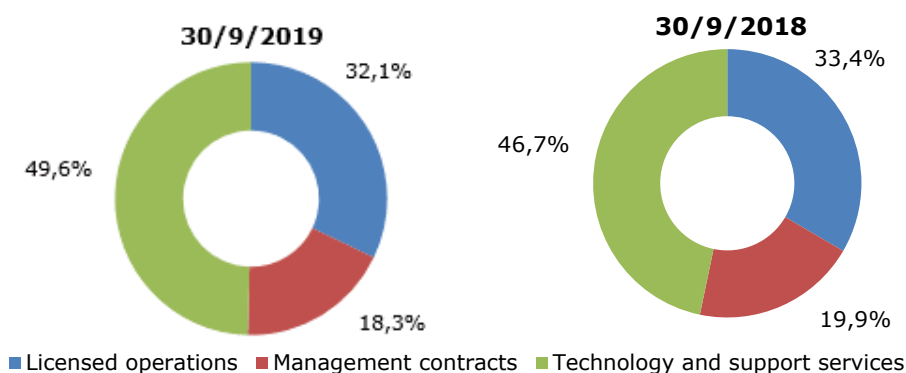
Sales per business activity



| Sales per product type (continuing operations) | | |
|--|------------------|------------------|
| | 30/9/2019 | 30/9/2018 |
| Lottery games | 42,9% | 40,6% |
| Sports Betting | 44,1% | 45,1% |
| IT products & services | 6,1% | 8,2% |
| Racing | 2,6% | 2,2% |
| Video Lottery Terminals | 4,3% | 3,9% |
| Total | 100% | 100% |

| Revenue Net of Payout (GGR) per business activity (continuing operations) | | | |
|---|------------------|------------------|-----------------|
| <i>(in thousand €)</i> | 30/9/2019 | 30/9/2018 | μεταβολή |
| Licensed operations | 102.087 | 109.860 | -7,08% |
| Management contracts | 58.191 | 65.381 | -11,00% |
| Technology and support services | 157.751 | 153.676 | 2,65% |
| Total | 318.029 | 328.917 | -3,31% |

Revenue Net of Payout (GGR) per business activity



2.3 OTHER OPERATING INCOME

| (continuing operations) | GROUP | | COMPANY | |
|---|---------------|---------------|------------|------------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Income from rents from third parties | 10.112 | 8.594 | 0 | 0 |
| Income from rents from subsidiaries | 0 | 0 | 56 | 90 |
| Income from uncollected winnings | 298 | 530 | 0 | 0 |
| Income from reversal of doubtful provisions and proceeds for written off receivables from third parties | 22 | 0 | 0 | 0 |
| Income from reversal of doubtful provisions and proceeds for written off receivables from subsidiaries | 0 | 0 | 204 | 0 |
| Other income | 3.095 | 1.753 | 82 | 32 |
| Other income from affiliates | 18 | 54 | 0 | 0 |
| Total | 13.545 | 10.931 | 342 | 122 |

2.4 INCOME TAX

| GROUP (continuing operations) | 30/9/2019 | 30/9/2018 |
|--|---------------|---------------|
| Current income tax | 11.580 | 16.273 |
| Deferred income tax | -995 | 188 |
| Tax audit differences and other taxes non-deductible | 4.672 | 594 |
| Total income tax expense reported in income statement | 15.257 | 17.055 |

The income tax expense for the Company and its Greek subsidiaries was calculated to 28% and 29% on the taxable profit of the periods 1/1-30/9/2019 and 1/1-30/9/2018 respectively.

The deferred income tax for the Company and its Greek subsidiaries was calculated using the gradually decreasing rates from 28% to 25% for tax years 2019-2022, pursuant to Law 4579/2018.

| COMPANY | 30/9/2019 | 30/9/2018 |
|--|--------------|------------|
| Current income tax | 0 | 0 |
| Deferred income tax | -27 | 400 |
| Tax audit differences and other taxes non-deductible | 2.128 | 14 |
| Total income tax expense reported in income statement | 2.101 | 414 |

2.5 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

| (continuing operations) | GROUP | | COMPANY | |
|--|---------------|--------------|---------------|---------------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Income from dividends | 2.321 | 2.813 | 16.612 | 10.463 |
| Gain from sale of participations and investments ¹ | 8.434 | 138 | 0 | 0 |
| Total income from participations and investments | 10.755 | 2.951 | 16.612 | 10.463 |
| Loss from sale of participations and investments | 0 | -381 | 0 | -19 |
| Loss from impairment / write-offs of participations and investments ¹ | 0 | 0 | -7.626 | 0 |
| Total expenses from participations and investments | 0 | -381 | -7.626 | -19 |
| Net result from participations and investments | 10.755 | 2.570 | 8.986 | 10.444 |

¹Group includes gain and loss from bonds buy backs (note [2.17](#)), as well as gain from selling our participation in Hellenic Lotteries S.A. (note [2.12](#)).

2.6 GAIN / (LOSS) FROM ASSETS DISPOSAL, IMPAIRMENT LOSS & WRITE OFF OF ASSETS

| (continuing operations) | GROUP | | COMPANY | |
|--|-----------|-----------|-----------|-----------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Gain from disposal of tangible and intangible assets | 105 | 32 | 4 | 0 |
| Loss from disposal of tangible and | -123 | -57 | -12 | 0 |

| | | | | |
|---|---------------|-------------|-----------|----------|
| intangible assets | | | | |
| Loss from impairment and write-off of tangible and intangible assets ¹ | -3.928 | -241 | 0 | 0 |
| Gain from write off of lease liability | 364 | 0 | 54 | 0 |
| Loss from write off of rights use of assets | -358 | 0 | -53 | 0 |
| Net result from tangible and intangible assets | -3.940 | -266 | -7 | 0 |

¹ The Group on 30/9/2019 includes impairment provision of goodwill in subsidiary Inteltek A.S. (note 2.10) of €3.037 thousand following the award of the competition of Iddaa game, that completed in the first quarter of 2019, to another bidder. Inteltek A.S., has been running Iddaa game from 2004 until 28/08/2019.

2.7 OTHER OPERATING EXPENSES

| (continuing operations) | GROUP | | COMPANY | |
|--|--------------|--------------|------------|--------------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Impairment, write-off and provisions for doubtful debt | 1.019 | 565 | 175 | 1.320 |
| Provisions for contractual fines-penalties | 3.534 | 2.216 | 0 | 0 |
| Provision for personnel dismissal allowances of Inteltek Internet A.S. | 3.146 | 0 | 0 | 0 |
| Other expense | 816 | 767 | 378 | 123 |
| Total | 8.515 | 3.548 | 553 | 1.443 |

Analysis of the account "Impairment, write-off and provisions for doubtful debt":

| (continuing operations) | GROUP | | COMPANY | |
|--|--------------|------------|------------|--------------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Provisions for doubtful receivables from affiliates | 0 | 0 | 158 | 1.320 |
| Provisions for doubtful receivables from receivables (third parties) | 998 | 458 | 0 | 0 |
| Write-off of receivables from receivables (third parties) | 21 | 102 | 0 | 0 |
| Write-off of receivables from affiliates | 0 | 0 | 17 | 0 |
| Write-off of receivables from other related parties | 0 | 5 | 0 | 0 |
| Total | 1.019 | 565 | 175 | 1.320 |

2.8 INTEREST AND SIMILAR EXPENSES / INTEREST AND SIMILAR INCOME

| (continuing operations) | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 30/9/2019 | 30/9/2018 | 30/9/2019 | 30/9/2018 |
| Interest Expense ¹ | -38.331 | -36.873 | -14.289 | -12.639 |
| Finance costs | -1.406 | -1.006 | 4 | 231 |
| Discounting | -458 | -41 | 0 | 0 |
| Total Interest and similar expenses | -40.195 | -37.920 | -14.285 | -12.408 |
| Interest Income | 3.844 | 5.514 | 2.467 | 3.579 |
| Discounting | 297 | 1.004 | 0 | 0 |
| Total Interest and similar Income | 4.141 | 6.518 | 2.467 | 3.579 |
| Net Interest and similar Income / (Expenses) | -36.054 | -31.402 | -11.818 | -8.829 |

¹ Including the amortized costs, expenses and fees of banking institutions in connection with the issue of bond and syndicated loans, as well as repurchase of bond loans costs.

2.9 FOREIGN EXCHANGE DIFFERENCES

The Group reported in the Income Statement of the first half of 2019 profit from «Exchange differences» amount to €6.172 thousand (2018: gain €10.558 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had, as at 30/9/2019, with a different functional currency than the Group, from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as from

valuation of trade receivables (from third parties and associates) mainly in USD that held by the Company on 30/9/2019.

2.10 TANGIBLE AND INTANGIBLE ASSETS

Acquisitions and disposals of tangible and intangible assets:

During the nine months of 2019, the Group acquired tangible (owner occupied) and intangible assets with acquisition cost €45.518 thousand (discontinued operations €508 thousand), (nine months 2018: €70.868 thousand – discontinued operations €562 thousand).

Also, during the nine months of 2019, the Group disposed tangible (owner occupied) and intangible assets with a net book value of €2.729 thousand (nine months 2018: €374 thousand – discontinued operations €1 thousand), making a net loss amounting to €18 thousand (nine months 2018: net loss €25 thousand), which was recorded in the account "Gain/(loss) from assets disposal, impairment loss & write-off of assets".

Right-of-use-Assets pursuant to IFRS 16 first time adoption:

The Group recognized as at 1/1/2019, Right-of-use-Assets (RoU Assets) of amount to €21.716 thousand pursuant to IFRS 16 first time application (note [2.1.4](#)).

Write-offs and impairment of tangible and intangible assets:

During the nine months of 2019, the Group proceeded to writes-offs and impairments of tangible (owner-occupied) and intangible assets with a net book value of €3.935 thousand (discontinued operations €7 thousand) - (nine months 2018: €246 thousand – discontinued operations €25 thousand), which were recorded in the account "Profit / (loss) from assets disposal, impairment loss & write-off of assets".

Exchange differences on valuation of tangible and intangible assets:

The net book value of tangible (owner-occupied and investment) and intangible assets of the Group increased in the nine months of 2019 due to foreign exchange valuation differences by €3,3 million.

Restatement of tangible and intangible fixed assets into current measuring units (IAS 29):

The net book value of the Group's tangible (own used and investing) and intangible assets increased by €1.519 thousand in the nine months 2019 due to a recalculation in current measuring units pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies".

Tangible Assets include Right-of-Use-Assets (RoU Assets) through Leases pursuant to IFRS 16:

| | RIGHT OF USE ASSETS | | | |
|---|---------------------|---------------------|-----------------------|---------------|
| | LAND & BUILDINGS | TRANSPORT EQUIPMENT | MACHINERY & EQUIPMENT | TOTAL |
| Opening Balance before IFRS 16 first application | 2 | 48 | 5.546 | 5.596 |
| IFRS 16 first application | 19.232 | 2.412 | 72 | 21.716 |
| Opening Balance after IFRS 16 first application | 19.234 | 2.460 | 5.618 | 27.312 |
| Additions | 5.416 | 443 | 70 | 5.929 |
| Termination/expiry of contracts | -260 | -98 | 0 | -358 |
| Foreign Exchange differences | 159 | 54 | 192 | 405 |
| Effect from IAS 29 | 170 | 3 | 0 | 173 |
| Transfer in between assets | 3 | 0 | 0 | 3 |
| Impairment/write off | -3 | 0 | 0 | -3 |
| Depreciation | -3.121 | -815 | -1.749 | -5.685 |
| Closing Balance | 21.598 | 2.047 | 4.131 | 27.776 |

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (December 31) or more frequently if events occur or changes in conditions indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6 «Business Combination and Goodwill» of the annual Financial Statements of [December 31, 2018](#).

The Group tested goodwill for impairment on 31/12/2018 and the key assumptions that are used for the determination of the recoverable amount are disclosed below.

The Group, through its Turkish subsidiary Inteltek Internet AS, submitted on 11/2/2019 and 13/2/2019 offers to the Turkish State Organization Spor Toto tender for the management of sports betting for 10 years. Early March 2019, Inteltek internet AS was notified that the tender of Turkish State Organization Spor Toto was concluded and the tender was awarded to the other bidder. Inteltek Internet AS has been active in Turkey's sports betting market from 2004 until 28/8/2019. During the subsidiary Inteltek Internet AS acquisition goodwill impairment test as of 31/12/2018, and taking into account the final outcome of the above tender, the Group recognized a relevant provision of impairment of €14.429 thousand, since the recoverable amount of the entity based on the value in use calculations until the expiration of the current contract on 28/8/2019 was less than the carrying amount of the entity. The remaining value of Inteltek Internet A.S. acquisition goodwill as of 31/12/2018 was €3.291 thousand (30/6/2019: €3.037 after the relevant valuation in Euro). On 30/6/2019 goodwill was retested for impairment and additional impairment provision of €3.037 thousand recognized, writing off fully the remaining value.

The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area. Goodwill impairment testing is performed on subsidiary level.

Carrying amount:

| CGU | Goodwill | | Intangible assets with indefinite useful life | |
|------------------------|------------------------|---------------|---|--------------|
| | 30/9/2019 ¹ | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| European Union | 19.600 | 23.437 | 2.300 | 2.300 |
| America | 563 | 820 | 27 | 29 |
| Other countries | 6.873 | 10.267 | 0 | 0 |
| Total | 27.036 | 34.524 | 2.327 | 2.329 |

¹ Net decrease in goodwill during the nine months of 2019 by €7.488 thousand is caused by the impairment provision of €3.037 thousand of Inteltek Internet A.S., the sale of Totolotek by €3.850 thousand, as well as the foreign currency translation losses of €601 thousand by goodwill valuation from foreign subsidiaries acquisitions, that made by the Group in the past, with a functional currency other than Euro.

Key assumptions:

The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets is estimated by extrapolating the projections based on the budgets, using a steady or declining growth rate for subsequent years, which does not exceed the long-

term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of three years where it has signed revenue contracts beyond three years as well as in cases where management believes that based on market data and renewals track record of the Group, the renewal of the relevant contracts beyond the three year period is very possible. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate.

The value in use for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate in perpetuity (Perpetual Growth Rates), and
- Discount rates

Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

| CGU | 2018 | 2017 |
|------------------------|--------------|--------------|
| European Union | 0,0% - 5,2% | -0,9% - 5,4% |
| Other Europe | n/a | n/a |
| America | 0,0% - 22,6% | 0,0% - 33,7% |
| Other countries | 0,0% - 44,5% | 0,0% - 3,6% |

Growth rate in perpetuity

The factors taken into account for the calculation of the growth rate in perpetuity derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate in perpetuity:

| CGU | 2018 | 2017 |
|------------------------|--------------|-------------|
| European Union | 0,0% - 2,0% | 0,0% - 2,0% |
| Other Europe | n/a | n/a |
| America | 4,0% | 2,0% |
| Other countries | 0,0% - 10,0% | 0,0% - 2,0% |

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their

investment. The Cost of debt is based on the interest rate of the loans that the Group must facilitate. The specific risk of each country is incorporated by implementing individualized sensitivity factors «beta» (beta factors). The sensitivity factors «beta» are evaluated annually based on published market data.

Discount rates:

| CGU | 2018 | 2017 |
|------------------------|---------------|---------------|
| European Union | 7,5% - 8,9% | 6,6% - 7,3% |
| Other Europe | n/a | n/a |
| America | 24,8% - 24,8% | 21,7% - 21,7% |
| Other countries | 0,0% - 22,5% | 14,3% - 15,1% |

Recoverable amount sensitivity analysis:

On 31/12/2018, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of half (0,5) of a percentage point to the growth rate in perpetuity and the change of the discount rates of a (1,0) percentage point). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount. Regarding Inteltek Internet AS, the change of a percentage point to sales growth rate for the period 1/1-28/8/2019 would result in a further reduction of goodwill of amount to €171 thous..

2.11 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

| GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES | % Participation | Country | 30/9/2019 | 31/12/2018 |
|---|-----------------|---------|----------------|----------------|
| Lotrich Information Co LTD | 40% | Taiwan | 7.327 | 5.836 |
| Goreward LTD Group | 38,84% | China | 24.132 | 27.332 |
| Gamenet Group SpA | 20% | Italy | 78.619 | 77.652 |
| Intralot de Peru SAC | 20% | Peru | 16.451 | 15.635 |
| Karenia Enterprises Co Ltd | 50% | Cyprus | 6.733 | 6.742 |
| Other | | | 1 | 1 |
| Total | | | 133.263 | 133.198 |
| GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES | | | 30/9/2019 | 31/12/2018 |
| Opening Balance before the application of IFRS 9 | | | 133.198 | 135.763 |
| Effect from the application of IFRS 9 | | | 0 | -1.150 |
| Opening Balance after the application of IFRS 9 | | | 133.198 | 134.613 |
| Participation on net profit / (loss) of associates and joint ventures | | | 3.489 | -18.309 |
| Additions/acquisitions | | | 0 | 6.426 |
| Foreign exchange differences | | | 1.580 | -265 |
| Impairment/Reverse of Impairment ¹ | | | 0 | 16.000 |
| Dividends | | | -5.146 | -5.272 |
| Other | | | 142 | 5 |
| Closing Balance | | | 133.263 | 133.198 |

¹The Group on 31/12/2018 includes a reversal of a provision of €16.000 thousand which relates to a relative estimation of decrease in the recoverable amount of the participation in the associate entity Gamenet Group S.p.A. which was recognized the previous year. The reversal was made in accordance with IAS 36 para. 110, as following the acquisition of GoldBet (note [2.20.A.III](#)) in October 2018, the value of the participation in the associate entity Gamenet Group S.p.A. increased significantly. The valuation of the participation was carried out by an external independent valuator.

| COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES | % Participation | Country | 30/9/2019 | 31/12/2018 |
|---|-----------------|---------|---------------|---------------|
| Lotrich Information Co LTD | 40% | Taiwan | 5.131 | 5.131 |
| Intralot De Peru SAC | 20% | Peru | 5.528 | 5.528 |
| Total | | | 10.659 | 10.659 |

| COMPANY INVESTMENT IN SUBSIDIARIES | % Participation | Country | 30/9/2019 | 31/12/2018 |
|-------------------------------------|-----------------|---------|-----------|------------|
| Intralot Holdings International LTD | 100% | Cyprus | 4.464 | 4.464 |
| Betting Company S.A. | 95% | Greece | 139 | 139 |
| Inteltek Internet AS | 20% | Turkey | 3.609 | 11.031 |
| Bilyoner Interactif Hizmelter AS | 50,01% | Turkey | 10.751 | 10.751 |

| | | | | |
|-------------------------------|---------|-----------|----------------|----------------|
| Intralot Global Securities BV | 100,00% | Nederland | 55.636 | 55.636 |
| Intralot Global Holdings BV | 0,002% | Nederland | 37.268 | 37.268 |
| Intralot Iberia Holdings SA | 100% | Spain | 5.638 | 5.638 |
| Other | | | 452 | 322 |
| Total | | | 117.957 | 125.249 |
| Grand Total | | | 128.616 | 135.908 |

| COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES | | 30/9/2019 | 31/12/2018 |
|---|--|----------------|----------------|
| Opening Balance | | 135.908 | 141.500 |
| Provisions/ reversals of provisions for impairment of subsidiaries ¹ | | -7.626 | -4.200 |
| Increase/Reversal of subsidiary capital | | 334 | -1.392 |
| Closing Balance | | 128.616 | 135.908 |

¹ The Group on 30/6/2019 includes impairment provision of goodwill in subsidiary Inteltek A.S. amounts to €7,4 million (fourth quarter of 2018: €4,2 million) following the award of the competition of Iddaa game, that completed in the first quarter of 2019, to another bidder. Inteltek A.S., has been running Iddaa game from 2004 until 28/08/2019.

2.12 OTHER FINANCIAL ASSETS

The other financial assets that have been classified by the Group as "equity instruments at fair value through other comprehensive income" and as "debt instruments at amortized cost" are analyzed below:

| | GROUP | | COMPANY | |
|--|---------------|---------------|--------------|--------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Opening Balance | 16.679 | 22.438 | 1.213 | 1.243 |
| Purchases | 0 | 672 | 0 | 0 |
| Return of capital | -2.328 | -3.130 | -2.328 | 0 |
| Sales | -15.417 | -827 | -168 | 0 |
| Exchange of shares with software | 0 | -4.400 | 0 | 0 |
| Fair value revaluation | 1.497 | 2.150 | 1.325 | -30 |
| Foreign exchange differences | -29 | -224 | 0 | 0 |
| Closing balance | 402 | 16.679 | 42 | 1.213 |
| Quoted securities | 402 | 770 | 42 | 30 |
| Unquoted securities ^{1 2} | 0 | 15.909 | 0 | 1.183 |
| Total | 402 | 16.679 | 42 | 1.213 |
| Long-term Financial Assets ² | 402 | 16.042 | 42 | 1.213 |
| Short-term Financial Assets ¹ | 0 | 637 | 0 | 0 |
| Total | 402 | 16.679 | 42 | 1.213 |

¹ In Group, "Unquoted securities" and "Short-Term Financial Assets" include bank term deposits of €165 thousand with a maturity of more than 3 months, pursuant to IAS 7, paragraph 7 as at 31/12/2018.

² In Group, "Unquoted securities" and "Long-Term Financial Assets" include investment of 16,5% of Hellenic Lotteries SA which is accounted pursuant to IFRS 9. The book value of the investment as at 31/12/2018 was €14.561.

During the nine months of 2019, the Group gain arising from the valuation at fair value of the above financial assets amount to €1.497 thousand (2018: gain €2.262 thousand) are analyzed in gains amount to €1.474 thousand (2018: gain €2.186 thousand) reported in particular equity reserves (revaluation reserve) and in gains amount to €23 thousand (2018: gain €76 thousand) reported in the income statement. Respectively for the Company, gains amount to €1.325 thousand (2018: gain €31 thousand) are analyzed in gain amount to €1.325 thousand (2018: gain €31 thousand) that were reported in particular equity reserves (revaluation reserve).

For investments that are actively traded in organized financial markets, the fair value is determined by reference to the closing price at the reporting date. For investments where there is no corresponding market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or estimated based on expected cash flows of the net assets underlying the investment or acquisition value.

On July 23, 2019, INTRALOT announced that its 100% subsidiary "INTRALOT Lotteries Limited" has signed a binding MOU with OPAP to transfer all of its shares in "Hellenic Lotteries S.A." (i.e. 511.500 shares or 16,5% of the total) to "OPAP Investment Limited", for a consideration of Euro Twenty Million (€20.000.000), i.e. €39,1006842619 per share. The transaction was closed by the end of the third quarter of 2019 with the signing of the definitive Share Purchase Agreement upon completion of all regulatory and existing Shareholder Agreement requirements, as well as the payment of the above consideration. At the shares transfer the Group recognised gain of €5.439 thousand that classified in Income statement under the line "Income/(expenses) from participations and investments". In addition, according to the MOU, Hellenic Lotteries SA signed with INTRALOT SA an amendment to the existing services provision agreement under renegotiated terms & conditions.

2.13 INVENTORIES

| | GROUP | | COMPANY | |
|---------------------------|---------------|---------------|---------------|---------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Merchandise – Equipment | 35.832 | 32.681 | 16.784 | 14.831 |
| Other | 3.760 | 14.438 | 0 | 0 |
| Total | 39.592 | 47.119 | 16.784 | 14.831 |
| Provisions for impairment | -1.510 | -1.536 | 0 | 0 |
| Total | 38.082 | 45.583 | 16.784 | 14.831 |

The burden on the nine month results of 2019, from disposals/usage and provision of inventories for the Group amounts to €7.150 thousand (nine months of 2018: €3.480 thousand) while for the Company amounts to €3.895 thousand (nine months of 2018: €3.160 thousand) and is included in "Cost of Sales".

| Reconciliation of changes in inventories provision for impairment | GROUP | | COMPANY | |
|---|-----------|------------|-----------|------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Opening balance for the period | -1.536 | -1.538 | 0 | 0 |
| Foreign exchange differences | 26 | 2 | 0 | 0 |
| Closing balance for the period | -1.510 | -1.536 | 0 | 0 |

There are no liens on inventories.

2.14 CASH AND CASH EQUIVALENTS

Bank current accounts are either non-interest bearing or interest bearing and yield income at the daily bank interest rates. The short term deposits are made for periods from one day to three months depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of:

| | GROUP | | COMPANY | |
|---|----------------|----------------|---------------|---------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Cash and bank current accounts | 133.003 | 161.935 | 21.630 | 33.146 |
| Short term time deposits / investments (cash equivalents) | 716 | 526 | 0 | 0 |
| Total | 133.719 | 162.461 | 21.630 | 33.146 |

2.15 SHARE CAPITAL, TREASURY SHARES AND RESERVES

Share Capital

| Total number of authorized shares | 30/9/2019 | 31/12/2018 |
|---|-----------------|-------------|
| Ordinary shares of nominal value €0,30 each | 156.961.721 | 156.961.721 |
| Issued and fully paid shares | Ordinary Shares | €'000 |
| Balance January 1, 2018 | 158.961.721 | 47.689 |
| Share capital decrease by cancelation of treasury | -2.000.000 | -600 |

| shares | | |
|-----------------------------------|--------------------|---------------|
| Balance December 31, 2018 | 156.961.721 | 47.089 |
| Issue of new shares | 0 | 0 |
| Balance September 30, 2019 | 156.961.721 | 47.089 |

On 16/5/2018 the Shareholder's Annual General Meeting approved the decrease of the share capital of the Company by 2.000.000 shares (€600 thousand) with corresponding cancellation of 2.000.000 own shares.

Treasury Shares

Share buyback program 11.6.2014 - 11.6.2018:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 11.6.2014, as amended by the resolution of the Shareholder's Annual General Meeting of 19.5.2015 and 18.5.2017, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2018, with a minimum price of €1,00 and maximum price of €12,00. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it. The above programme was cancelled with a relevant decision of the Shareholder's Annual General Meeting on 16.5.2018.

Share buyback program 16.5.2018 - 16.5.2020:

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting on 16.5.2018, has approved a treasury shares buy-back program from the Company, of up to 10% of the paid share capital, including treasury shares which might have been acquired and held by the Company (on 16/5/2018 amounted 748.661 treasury shares that is 0,48% of the share capital following the cancellation of 2.000.000 treasury shares and a relevant decrease in the share capital of the Company as approved by the Shareholder's Annual General Meeting for a period of 24 months with effect from 16.5.2018 and until 16.5.2020, with a minimum price of €0,30 and maximum price of €12,00 cancelling the previous programme that was about to end on 11.6.2018. It has also been approved that the treasury shares which will eventually be acquired may be held for future acquisition of shares of another company or be distributed to the Company's employees or the staff of a company related with it.

During 2018, the Company purchased 9.218.779 treasury shares (5,87% of the Company's share capital) at an average price of €0,93 per share, totalling €8.589 thousand. Until 30/9/2019 the Company had 9.200.033 treasury shares (5,86% of the company's share capital) with average price €0,93 per share, with total price of €8.528 thousand subtracting 2.000.000 treasury shares (1,27% of the share capital of the Company) at an average purchase price of €1,10, that were cancelled from the Shareholder's Annual General Meeting of 16.05.2018.

| | GROUP | | COMPANY | |
|-----------------------------------|---------------------------|--------------|---------------------------|--------------|
| | Number of ordinary shares | € '000 | Number of ordinary shares | € '000 |
| Balance December 31, 2017 | 1.981.254 | 2.149 | 1.981.254 | 2.149 |
| Repurchase of treasury shares | 9.218.779 | 8.589 | 9.218.779 | 8.589 |
| Cancellation of treasury shares | -2.000.000 | -2.210 | -2.000.000 | -2.210 |
| Balance December 31, 2018 | 9.200.033 | 8.528 | 9.200.033 | 8.528 |
| Repurchase of treasury shares | 0 | 0 | 0 | 0 |
| Balance September 30, 2019 | 9.200.033 | 8.528 | 9.200.033 | 8.528 |

Reserves

Foreign exchange differences reserve

This reserve is used to report the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group on 30/9/2019 was €-84,1 million (31/12/2018: €-88,0 million). The Group had a total net gain which was reported in the statement of comprehensive income from the change in the fair value reserve during the nine months of 2019 amounting to €1,4 million, out of which gain of €3,8 million is attributable to the owners of the parent and a loss of €2,4 million to non-controlling interest. The above total net loss for the nine months of 2019 comes mainly from the positive fluctuation of the USD and the negative fluctuation of TRY, ARS and CNY against the EUR.

Alongside, in 30/6/2019, a cumulative gain of €562 thousand was reclassified / recycled from the "Foreign exchange differences reserve" to "Profit / (loss) after tax from discontinued operations" due to the signature of contract for the sale of the subsidiary Totolotek SA.

Respectively, in the fourth quarter of 2018, a cumulative loss of €1.327 thousand was reclassified / recycled from the "Foreign exchange differences reserve" to "Profit / (loss) after tax from discontinued operations" due to the sale of the subsidiary Azerinteltek AS.

The main exchange rates of abroad subsidiaries financial statements conversion were:

- Statement of Financial Position:**

| | 30/9/2019 | 31/12/2018 | Change |
|-----------|-----------|------------|--------|
| EUR / USD | 1,09 | 1,15 | -5,22% |
| EUR / AUD | 1,61 | 1,62 | -0,62% |
| EUR / TRY | 6,15 | 6,06 | 1,49% |
| EUR / PEN | 3,67 | 3,86 | -4,92% |
| EUR / ARS | 62,75 | 43,1 | 45,59% |
| EUR / PLN | 4,38 | 4,3 | 1,86% |
| EUR / BRL | 4,53 | 4,44 | 2,03% |

- Income Statement:**

| | Avg. 1/1- 30/9/2019 | Avg. 1/1- 30/9/2018 | Change |
|------------------------|------------------------|------------------------|---------|
| EUR / USD | 1,12 | 1,19 | -5,88% |
| EUR / AUD | 1,61 | 1,58 | 1,90% |
| EUR / TRY | 6,34 | 5,51 | 15,06% |
| EUR / PEN | 3,74 | 3,90 | -4,10% |
| EUR / ARS ¹ | 62,75 | 29,76 | 110,85% |
| EUR / PLN | 4,30 | 4,25 | 1,18% |
| EUR / BRL | 4,36 | 4,30 | 1,40% |

¹ The Income Statement of the first nine months of 2019 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 30/9/2019 instead of the Avg. 1/1-30/9/2019 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

Other Reserves

| | GROUP | | COMPANY | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Statutory reserve | 24.433 | 24.795 | 15.896 | 15.896 |
| Extraordinary reserves | 1.740 | 1.689 | 1.456 | 1.456 |
| Tax free and specially taxed reserves | 40.734 | 40.813 | 38.091 | 38.091 |
| Treasury shares reserve | 5 | 5 | 5 | 5 |
| Actuarial differences reserve | -145 | -145 | -119 | -119 |
| Hedging reserve | 0 | 0 | 0 | 0 |
| Revaluation reserve | -34 | -2.195 | -156 | -2.204 |
| Total | 66.733 | 64.962 | 55.173 | 53.125 |

Analysis of changes in other comprehensive income by category of reserves

| GROUP 1/1-30/9/2019 | Reserve from Actuarial Differences | Revaluation reserve | Hedging reserve | Foreign exchange differences reserve | Retained earnings | Total | Non- controlling interest | Grand total |
|--|---|--------------------------------|----------------------------|---|------------------------------|--------------|--|------------------------|
| Defined benefit plans revaluation of subsidiaries and parent company | -4 | | | | 32 | 28 | 38 | 66 |
| Revaluation of defined benefit plans of associates and joint ventures | | | | | -79 | -79 | | -79 |
| Valuation of assets at fair value through other comprehensive income, of subsidiaries and parent company | | 1.475 | | | | 1.475 | -1 | 1.474 |
| Foreign exchange differences on consolidation of subsidiaries | | | | 2.252 | | 2.252 | -2.393 | -141 |
| Share of foreign exchange differences on consolidation of associates and joint ventures | | | | 1.580 | | 1.580 | | 1.580 |
| Other comprehensive income / (expenses) after tax | -4 | 1.475 | 0 | 3.832 | -47 | 5.256 | -2.356 | 2.900 |

| GROUP 1/1-30/9/2018 | Reserve from Actuarial Differences | Revaluation reserve | Hedging reserve | Foreign exchange differences reserve | Retained Earnings | Total | Non- controlling interest | Grand total |
|---|---|--------------------------------|----------------------------|---|------------------------------|----------------|--|------------------------|
| Defined benefit plans revaluation of subsidiaries and parent company | | | | | -9 | -9 | -10 | -19 |
| Defined benefit plans revaluation of associates and joint ventures | | | | | -105 | -105 | | -105 |
| Valuation of assets measured at fair value through other comprehensive income, of subsidiaries and parent company | | 2.214 | | | | 2.214 | -1 | 2.213 |
| Derivative valuation of subsidiaries and parent company | | | 18 | | | 18 | | 18 |
| Foreign exchange differences on consolidation of subsidiaries | | | | -19.586 | | -19.586 | -8.281 | -27.867 |
| Share of foreign exchange differences on consolidation of associates and joint ventures | | | | -428 | | -428 | | -428 |
| Other comprehensive income / (expenses) after tax | 0 | 2.214 | 18 | -20.014 | -114 | -17.896 | -8.292 | -26.188 |

Analysis of changes in other comprehensive income by category of reserves

| COMPANY 1/1-30/9/2019 | Revaluation reserve | Hedging reserve | Total |
|---|------------------------|--------------------|--------------|
| Valuation of assets measured at fair value through other comprehensive income | 1.325 | | 1.325 |
| Other comprehensive income / (expenses) after tax | 1.325 | 0 | 1.325 |

| COMPANY 1/1-30/9/2018 | Revaluation reserve | Hedging reserve | Total |
|---|------------------------|--------------------|-----------|
| Valuation of assets measured at fair value through other comprehensive income | 31 | | 31 |
| Valuation of derivatives | | 18 | 18 |
| Other comprehensive income / (expenses) after tax | 31 | 18 | 49 |

2.16 DIVIDENDS

| Declared dividends of ordinary shares: | GROUP | | COMPANY | |
|--|---------------|---------------|-----------|------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Final dividend of 2012 | 0 | 680 | 0 | 0 |
| Final dividend of 2016 | 0 | 512 | 0 | 0 |
| Final dividend of 2017 | 0 | 24.442 | 0 | 0 |
| Interim dividend of 2018 | 0 | 13.580 | 0 | 0 |
| Final dividend of 2018 | 28.357 | 0 | 0 | 0 |
| Interim dividend of 2019 | 5.950 | 0 | 0 | 0 |
| Dividend per statement of changes in equity | 34.307 | 39.214 | 0 | 0 |

Paid Dividends on ordinary shares:

During the nine months of 2019 dividends paid on ordinary shares, aggregated €36.352 thousand (2018: €31.475 thousand).

2.17 DEBT
Long term loans and lease liabilities:

| | Currency | Interest rate | GROUP | | COMPANY | |
|---|----------|---------------|----------------|----------------|----------------|----------------|
| | | | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Facility A (€250,0 million) | EUR | 6,75% | 246.553 | 249.308 | 0 | 0 |
| Facility B (€500,0 million) | EUR | 5,25% | 488.456 | 493.364 | 0 | 0 |
| Intercompany Loans | | | 0 | 0 | 275.378 | 286.380 |
| Other | | | 22.133 | 36.488 | 0 | 0 |
| Total Loans (long term and short term) before repurchasing | | | 757.142 | 779.160 | 275.378 | 286.380 |
| Less: Payable during the next year | | | -14.827 | -38.929 | 0 | 0 |
| Repurchase of Facility B | | | -9.769 | -4.934 | 0 | 0 |
| Long term loans after repurchasing | | | 732.546 | 735.297 | 275.378 | 286.380 |
| Long term lease liabilities ¹ | | | 13.102 | 1.797 | 1.638 | 0 |
| Total long term debt (loans and lease liabilities) | | | 745.648 | 737.094 | 277.016 | 286.380 |

¹ In the Group and the Company as at 30/9/2019 included Long term lease liabilities from other related parties amount to €3.419 thousand and €1.323 thousand respectively.

Short term loans and lease liabilities:

| | GROUP | | COMPANY | |
|---|---------------|---------------|-----------|------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Facility A (€250,0 million) | 418 | 4.652 | 0 | 0 |
| Facility B (€500,0 million) | 504 | 7.235 | 0 | 0 |
| Intercompany loans | 0 | 0 | 0 | 0 |
| Other | 14.014 | 27.135 | 0 | 0 |
| Short term loans before repurchasing | 14.936 | 39.022 | 0 | 0 |
| Repurchasing Facility B | -109 | -93 | 0 | 0 |

| | | | | |
|--|---------------|---------------|------------|----------|
| Short term loans after repurchasing | 14.827 | 38.929 | 0 | 0 |
| Short term lease liabilities ¹ | 7.213 | 1.726 | 716 | 0 |
| Total short term debt (loans and lease liabilities) | 22.040 | 40.655 | 716 | 0 |

¹In the Group and the Company as at 30/9/2019 included Short term lease liabilities from other related parties amount to €1.149 thousand and €469 thousand respectively.

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Total debt (loans and lease liabilities) | 767.688 | 777.749 | 277.732 | 286.380 |

- Facility A: In September 2016, Intralot Capital Luxembourg, issued Senior Notes with a nominal value of €250 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2021. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 6,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00).
- Facility B: In September 2017, Intralot Capital Luxembourg issued Senior Notes with a nominal value of €500,0 million, guaranteed by the parent company and subsidiaries of the Group, due 15 September 2024. The Notes were offered at an issue price of 100,000%. Interest is payable semi-annually at an annual fixed nominal coupon of 5,25%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants for incurring additional debt with respect to total Net Debt to EBITDA (EBITDA/ "Consolidated Cash Flow") (Senior Leverage ratio <3,75), and financial expenses coverage ratio (Fixed Charge Coverage ratio >2,00). The Group proceeded to the repurchase of bonds from the open market with nominal value of €5,0 million during 2018, €5,0 million during the third quarter of 2019, as well as €16,2 million during the fourth quarter of 2019 and up to the date of approval of the interim financial statements of 30/9/2019, forming the total outstanding nominal amount at €473,8 million.

The Group under the Senior Notes (Facility A & B) terms will be able to incur additional debt so long as on a pro forma basis its consolidated fixed charge coverage ratio is at least 2,00 (30/9/2019: approx. 2,60 in pro forma basis from the application of IFRS 16), and will be able to incur additional senior debt as long as on a pro forma basis its consolidated senior leverage ratio is not more than 3,75 (30/9/2019: approx. 5,45 in pro forma basis from the application of IFRS 16). Furthermore to the above, the Group can incur additional debt from specific baskets.

The Company, the subsidiaries of the Group or other related parties, or agents on its or their behalf, may from time to time purchase and/or re-sell bonds of the Group (Facility A & B) in one or more series of open-market transactions from time to time. The Group does not intend to disclose the extent of any such purchase or re-sale otherwise than in accordance with any legal or regulatory obligation the Group may have to do so.

Other facilities:

- Facility C: In December 2017 Intralot Finance UK Ltd signed a loan agreement guaranteed by the parent and subsidiaries of the Group amounting to €15 million as term loan. The Group utilised this facility in February 2018. Loan agreement matures on 10/05/2019 and bears a floating rate

(Euribor) plus a 2,75% margin. The abovementioned loan does not have financial covenants and was fully repaid the first half of 2019.

- Facility D: In December 2017 and in February 2018 Intralot Finance UK Ltd signed loan agreement guaranteed by the parent and subsidiaries of the Group amounting €80 million as revolving facility. The Group had not utilised the above revolving facility which were also cancelled during the second and third quarter of 2019.
- Facility E: Intralot Inc., Group subsidiary in USA, has a credit facility with Bank of America amounting up to \$40 million. The outstanding balance as of 30/9/2019 was \$12,9 million. The facility may be used for additional liquidity support to tap new opportunities in Lottery and sports betting in the US.

Reconciliation of liabilities arising from financing activities:

| GROUP | Balance 31/12/2018 | Cash flows | Non cash adjustments | | | | | | | Balance 30/9/2019 |
|--|-----------------------|----------------|---|---------------------|---|-----------|--|----------------------------|------------------------|----------------------|
| | | | Effect from IFRS 16 application 1/1/2019 | Accrued interest | Foreign exchange differences & IAS 29 effect | Transfers | Purchases of fixed assets under leases/contract cancellation | Discontinued Operations | Repurchas e results | |
| Long term loans | 735.297 | -4.375 | 0 | 563 | 308 | 3.231 | 0 | 0 | -2.478 | 732.546 |
| Short term loans | 38.929 | -54.639 | 0 | 36.146 | 628 | -3.231 | 0 | -3.006 | 0 | 14.827 |
| Long term lease liabilities | 1.797 | -4.718 | 14.768 | 657 | -144 | -4.753 | 5.495 | 0 | 0 | 13.102 |
| Short term lease liabilities | 1.726 | -232 | 264 | 4 | 698 | 4.753 | 0 | 0 | 0 | 7.213 |
| Total liabilities from financing activities | 777.749 | -63.964 | 15.032 | 37.370 | 1.490 | 0 | 5.495 | -3.006 | -2.478 | 767.688 |

| GROUP | Balance 31/12/2017 | Cash flows | Non cash adjustments | | | | | Issuing costs/Repurchase results | Balance 31/12/2018 |
|--|-----------------------|----------------|----------------------|------------------------------------|-----------|---|------------|--|-----------------------|
| | | | Accrued interest | Foreign exchange differences | Transfers | Purchases of fixed assets under leases | | | |
| Long term loans | 727.988 | 17.631 | 0 | 243 | -10.687 | 0 | 122 | 735.297 | |
| Short term loans | 17.927 | -37.566 | 47.860 | 242 | 10.687 | 0 | -221 | 38.929 | |
| Long term lease liabilities | 1.389 | -1.478 | 0 | 70 | 0 | 1.816 | 0 | 1.797 | |
| Short term lease liabilities | 1.418 | -711 | 109 | 53 | 0 | 857 | 0 | 1.726 | |
| Total liabilities from financing activities | 748.722 | -22.124 | 47.969 | 608 | 0 | 2.673 | -99 | 777.749 | |

2.18 SHARED BASED BENEFITS

The Group had no active option plan during the nine months of 2019.

2.19 FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:

| 30/9/2019 | | GROUP | | |
|---------------------------------------|---|--|---|----------------|
| Financial assets: | Debt instruments at amortized cost | Equity instruments at fair value through other comprehensive income | Derivative financial assets at fair value through other comprehensive income | Total |
| Trade receivables | 80.690 | 0 | 0 | 80.690 |
| Provisions for doubtful receivables | -13.122 | 0 | 0 | -13.122 |
| Receivables from related parties | 17.425 | 0 | 0 | 17.425 |
| Provisions for doubtful receivables | -6.724 | 0 | 0 | -6.724 |
| Pledged bank deposits | 405 | 0 | 0 | 405 |
| Tax receivables | 18.914 | 0 | 0 | 18.914 |
| Prepaid expenses and other receivable | 34.203 | 0 | 0 | 34.203 |
| Provisions for doubtful receivables | -3.922 | 0 | 0 | -3.922 |
| Other quoted financial assets | 0 | 402 | 0 | 402 |
| Other unquoted financial assets | 0 | 0 | 0 | 0 |
| Total | 127.869 | 402 | 0 | 128.271 |
| Long term | 4.053 | 402 | 0 | 4.455 |
| Short term | 123.816 | 0 | 0 | 123.816 |
| Total | 127.869 | 402 | 0 | 128.271 |

| 31/12/2018 | | GROUP | | |
|---------------------------------------|---|--|---|----------------|
| Financial assets: | Debt instruments at amortized cost | Equity instruments at fair value through other comprehensive income | Derivative financial assets at fair value through other comprehensive income | Total |
| Trade receivables | 82.275 | 0 | 0 | 82.275 |
| Provisions for doubtful receivables | -12.420 | 0 | 0 | -12.420 |
| Receivables from related parties | 22.495 | 0 | 0 | 22.495 |
| Provisions for doubtful receivables | -6.736 | 0 | 0 | -6.736 |
| Pledged bank deposits | 389 | 0 | 0 | 389 |
| Tax receivables | 18.682 | 0 | 0 | 18.682 |
| Prepaid expenses and other receivable | 41.906 | 0 | 0 | 41.906 |
| Provisions for doubtful receivables | -3.895 | 0 | 0 | -3.895 |
| Other quoted financial assets | 472 | 298 | 0 | 770 |
| Other unquoted financial assets | 165 | 15.744 | 0 | 15.909 |
| Total | 143.333 | 16.042 | 0 | 159.375 |
| Long term | 8.832 | 16.042 | 0 | 24.874 |
| Short term | 134.501 | 0 | 0 | 134.501 |
| Total | 143.333 | 16.042 | 0 | 159.375 |

| <u>30/9/2019</u> | | <u>GROUP</u> | | |
|---------------------------------|--|---|--|----------------|
| Financial liabilities | Financial liabilities measured at amortized cost | Financial liabilities at fair value through profit and loss | Financial liabilities at fair value through other comprehensive income | Total |
| Creditors | 31.662 | 0 | 0 | 31.662 |
| Payables to related parties | 6.594 | 0 | 0 | 6.594 |
| Other liabilities | 66.715 | 0 | 0 | 66.715 |
| Borrowing and lease liabilities | 767.688 | 0 | 0 | 767.688 |
| Total | 872.659 | 0 | 0 | 872.659 |
| Long term | 747.407 | 0 | 0 | 747.407 |
| Short term | 125.252 | 0 | 0 | 125.252 |
| Total | 872.659 | 0 | 0 | 872.659 |

| <u>31/12/2018</u> | | <u>GROUP</u> | | |
|---------------------------------|--|---|--|----------------|
| Financial liabilities | Financial liabilities measured at amortized cost | Financial liabilities at fair value through profit and loss | Financial liabilities at fair value through other comprehensive income | Total |
| Creditors | 43.168 | 0 | 0 | 43.168 |
| Payables to related parties | 10.480 | 0 | 0 | 10.480 |
| Other liabilities | 45.388 | 0 | 0 | 45.388 |
| Borrowing and lease liabilities | 777.749 | 0 | 0 | 777.749 |
| Total | 876.785 | 0 | 0 | 876.785 |
| Long term | 739.350 | 0 | 0 | 739.350 |
| Short term | 137.435 | 0 | 0 | 137.435 |
| Total | 876.785 | 0 | 0 | 876.785 |

Below is the analysis of the financial assets and liabilities of the Company excluding cash and cash equivalents:

| <u>30/9/2019</u> | | <u>COMPANY</u> | | |
|---------------------------------------|------------------------------------|---|--|----------------|
| Financial assets: | Debt instruments at amortized cost | Equity instruments at fair value through other comprehensive income | Derivative financial assets at fair value through other comprehensive income | Total |
| Trade receivables | 42.048 | 0 | 0 | 42.048 |
| Provisions for doubtful receivables | -6.734 | 0 | 0 | -6.734 |
| Receivables from related parties | 68.432 | 0 | 0 | 68.432 |
| Provisions for doubtful receivables | -31.759 | 0 | 0 | -31.759 |
| Pledged bank deposits | 157 | 0 | 0 | 157 |
| Tax receivables | 8.664 | 0 | 0 | 8.664 |
| Prepaid expenses and other receivable | 8.271 | 0 | 0 | 8.271 |
| Provisions for doubtful receivables | -778 | 0 | 0 | -778 |
| Other quoted financial assets | 0 | 42 | 0 | 42 |
| Other unquoted financial assets | 0 | 0 | 0 | 0 |
| Total | 88.301 | 42 | 0 | 88.343 |
| Long term | 120 | 42 | 0 | 162 |
| Short term | 88.181 | 0 | 0 | 88.181 |
| Total | 88.301 | 42 | 0 | 88.343 |

| <u>31/12/2018</u> | <u>COMPANY</u> | | | |
|---------------------------------------|------------------------------------|---|--|----------------|
| | Debt instruments at amortized cost | Equity instruments at fair value through other comprehensive income | Derivative financial assets at fair value through other comprehensive income | Total |
| Financial assets: | | | | |
| Trade receivables | 40.129 | 0 | 0 | 40.129 |
| Provisions for doubtful receivables | -6.734 | 0 | 0 | -6.734 |
| Receivables from related parties | 92.893 | 0 | 0 | 92.893 |
| Provisions for doubtful receivables | -34.696 | 0 | 0 | -34.696 |
| Pledged bank deposits | 159 | 0 | 0 | 159 |
| Tax receivables | 6.232 | 0 | 0 | 6.232 |
| Prepaid expenses and other receivable | 13.701 | 0 | 0 | 13.701 |
| Provisions for doubtful receivables | -1.168 | 0 | 0 | -1.168 |
| Other quoted financial assets | 0 | 30 | 0 | 30 |
| Other unquoted financial assets | 0 | 1.183 | 0 | 1.183 |
| Total | 110.516 | 1.213 | 0 | 111.729 |
| Long term | 146 | 1.213 | 0 | 1.359 |
| Short term | 110.370 | 0 | 0 | 110.370 |
| Total | 110.516 | 1.213 | 0 | 111.729 |

| <u>30/9/2019</u> | <u>COMPANY</u> | | | |
|---------------------------------|--|---|--|----------------|
| | Financial liabilities measured at amortized cost | Financial liabilities at fair value through profit and loss | Financial liabilities at fair value through other comprehensive income | Total |
| Financial liabilities | | | | |
| Creditors | 8.585 | 0 | 0 | 8.585 |
| Payables to related parties | 23.349 | 0 | 0 | 23.349 |
| Other liabilities | 7.127 | 0 | 0 | 7.127 |
| Borrowing and lease liabilities | 277.732 | 0 | 0 | 277.732 |
| Total | 316.793 | 0 | 0 | 316.793 |
| Long term | 277.217 | 0 | 0 | 277.217 |
| Short term | 39.576 | 0 | 0 | 39.576 |
| Total | 316.793 | 0 | 0 | 316.793 |

| <u>31/12/2018</u> | <u>COMPANY</u> | | | |
|---------------------------------|--|---|--|----------------|
| | Financial liabilities measured at amortized cost | Financial liabilities at fair value through profit and loss | Financial liabilities at fair value through other comprehensive income | Total |
| Financial liabilities | | | | |
| Creditors | 13.138 | 0 | 0 | 13.138 |
| Payables to related parties | 29.370 | 0 | 0 | 29.370 |
| Other liabilities | 3.041 | 0 | 0 | 3.041 |
| Borrowing and lease liabilities | 286.380 | 0 | 0 | 286.380 |
| Total | 331.929 | 0 | 0 | 331.929 |
| Long term | 286.653 | 0 | 0 | 286.653 |
| Short term | 45.276 | 0 | 0 | 45.276 |
| Total | 331.929 | 0 | 0 | 331.929 |

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as at September 30, 2019 and December 31, 2018:

| Financial Assets | GROUP | | GROUP | |
|---|-----------------|----------------|----------------|----------------|
| | Carrying Amount | | Fair Value | |
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income " | 402 | 16.042 | 402 | 16.042 |
| Other long-term receivables | 4.053 | 8.832 | 4.053 | 8.832 |
| Trade and other short-term receivables | 123.816 | 133.864 | 123.816 | 133.864 |
| Other short-term financial assets classified as "debt instruments at amortized cost" | 0 | 637 | 0 | 634 |
| Cash and cash equivalents | 133.719 | 162.461 | 133.719 | 162.461 |
| Total | 261.990 | 321.836 | 261.990 | 321.833 |
| Financial Liabilities | | | | |
| Long-term loans | 732.546 | 735.297 | 414.197 | 511.163 |
| Other long-term liabilities | 1.759 | 2.256 | 1.759 | 2.256 |
| Long term lease liabilities | 13.102 | 1.797 | 13.102 | 1.797 |
| Trade and other short term payables | 103.212 | 96.780 | 103.212 | 96.780 |
| Short-term loans and lease liabilities | 22.040 | 40.655 | 21.711 | 37.092 |
| Total | 872.659 | 876.785 | 553.981 | 649.088 |
| Financial Assets | COMPANY | | COMPANY | |
| | Carrying Amount | | Fair Value | |
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Other long-term financial assets - classified as "equity instruments at fair value through other comprehensive income " | 42 | 1.213 | 42 | 1.213 |
| Other long-term receivables | 120 | 146 | 120 | 146 |
| Trade and other short-term receivables | 88.181 | 110.370 | 88.181 | 110.370 |
| Cash and cash equivalents | 21.630 | 33.146 | 21.630 | 33.146 |
| Total | 109.973 | 144.875 | 109.973 | 144.875 |
| Financial Liabilities | | | | |
| Long-term loans | 275.378 | 286.380 | 275.378 | 286.380 |
| Other long-term liabilities | 201 | 273 | 201 | 273 |
| Long term lease liabilities | 1.638 | 0 | 1.638 | 0 |
| Trade and other short term payables | 38.860 | 45.276 | 38.860 | 45.276 |
| Short term loans and lease liabilities | 716 | 0 | 716 | 0 |
| Total | 316.793 | 331.929 | 316.793 | 331.929 |

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short term maturities.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making these measurements. The levels of the fair value hierarchy are as follows:

Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company held on 30/9/2019 the following assets and liabilities measured at fair value:

| GROUP | Fair Value 30/9/2019 | Fair value hierarchy | | |
|--|-------------------------|----------------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Other financial assets classified as "equity instruments at fair value through other comprehensive income" | 402 | 402 | 0 | 0 |
| - Quoted securities | 402 | 402 | 0 | 0 |
| - Unquoted securities | 0 | 0 | 0 | 0 |
| Other financial assets classified as "debt instruments at amortized cost" | 0 | 0 | 0 | 0 |
| - Quoted securities | 0 | 0 | 0 | 0 |
| - Unquoted securities | 0 | 0 | 0 | 0 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | 0 | 0 | 0 | 0 |

| COMPANY | Fair Value 30/9/2019 | Fair value hierarchy | | |
|--|-------------------------|----------------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Other financial assets classified as "equity instruments at fair value through other comprehensive income" | 42 | 42 | 0 | 0 |
| - Quoted securities | 42 | 42 | 0 | 0 |
| - Unquoted securities | 0 | 0 | 0 | 0 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | 0 | 0 | 0 | 0 |

During 2019 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2018 the following assets and liabilities measured at fair value:

| GROUP | Fair Value 31/12/2018 | Fair value hierarchy | | |
|--|--------------------------|----------------------|---------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Other financial assets classified as "equity instruments at fair value through other comprehensive income" | 16.042 | 298 | 0 | 15.744 |
| - Quoted securities | 298 | 298 | 0 | 0 |
| - Unquoted securities | 15.744 | 0 | 0 | 15.744 |
| Other financial assets classified as "debt instruments at amortized cost" | 637 | 0 | 0 | 637 |
| - Quoted securities | 472 | 0 | 0 | 472 |
| - Unquoted securities | 165 | 0 | 0 | 165 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | 0 | 0 | 0 | 0 |

| COMPANY | Fair Value 31/12/2018 | Fair value hierarchy | | |
|---|--------------------------|----------------------|----------|--------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Other financial assets classified as "equity instruments at fair value through other comprehensive income" | 1.213 | 30 | 0 | 1.183 |
| - Quoted securities | 30 | 30 | 0 | 0 |
| - Unquoted securities | 1.183 | 0 | 0 | 1.183 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instruments | 0 | 0 | 0 | 0 |

During 2018 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:

| Unquoted securities | GROUP | COMPANY |
|-------------------------------|---------------|--------------|
| Balance 1/1/2018 | 20.838 | 1.183 |
| Period purchases | 175 | 0 |
| Fair value revaluation | 2.437 | 0 |
| Exchange shares with software | -4.400 | 0 |
| Return of capital | -3.130 | 0 |
| Foreign exchange differences | -11 | 0 |
| Balance 31/12/2018 | 15.909 | 1.183 |
| Sales | -14.887 | -168 |
| Fair value revaluation | 1.313 | 1.313 |
| Return of capital | -2.328 | -2.328 |
| Foreign exchange differences | -7 | 0 |
| Balance 30/9/2019 | 0 | 0 |
| Quoted securities | GROUP | COMPANY |
| Balance 1/1/2018 | 914 | 0 |
| Fair value revaluation | 90 | 0 |
| Period purchases | 497 | 0 |
| Sales | -815 | 0 |
| Foreign exchange differences | -214 | 0 |
| Balance 31/12/2018 | 472 | 0 |
| Fair value revaluation | 22 | 0 |
| Sales | -472 | 0 |
| Foreign exchange differences | -22 | 0 |
| Balance 30/9/2019 | 0 | 0 |

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "equity instruments at fair value through other comprehensive income") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "equity instruments at fair value through other comprehensive income") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast

cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at each reporting date. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "equity instruments at fair value through other comprehensive income ") except that it is sensitive to a reasonably possible change in forecasted cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Unquoted shares (classified as "equity instruments at fair value through other comprehensive income ")

| Valuation method | Significant unobservable inputs | Range (Weighted Average) | |
|------------------|-----------------------------------|-----------------------------|-------------------------|
| | | 31/12/2018 | 31/12/2017 |
| DCF | Sales growth rate | 0.0% - 0.0% (0.0%) | 0.0% - 6.0% (1.1%) |
| | Growth rate beyond budgets period | 0.0% - 0.0% (0.0%) | 0.0% - 1.0% (0.9%) |
| | Discount rates (WACC) | 10.4% - 10.4% (10.4%) | 5.8% - 15.4% (14.9%) |

Sensitivity analysis of recoverable amounts:

On 31/12/2018, the Group analyzed the sensitivity of recoverable amounts in a reasonable and possible change in any of the above significant unobservable inputs (i.e. the change of one percentage point in the growth rate beyond the budgets period and discount rates). This analysis did not indicate a situation in which the carrying value of the Group's significant investments in unquoted shares exceeds their recoverable amount.

2.20 SUPPLEMENTARY INFORMATION
A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATION

The companies included in the consolidation, with the relevant addresses and the relevant participation percentages are the following:

| I. Full consolidation | | Domicile | Nature of business | % Direct Part'n | % Indirect Part'n | % Total Part'n |
|-----------------------|--|-------------------------------|---|-----------------|-------------------|----------------|
| | INTRALOT S.A. | Maroussi, Greece | Holding company / Technology and support services | Parent | Parent | - |
| 3. | BETTING COMPANY S.A. | Maroussi, Greece | Technology and support services | 95% | 5% | 100% |
| 23. | BETTING CYPRUS LTD | Nicosia, Cyprus | Technology and support services | | 100% | 100% |
| | INTRALOT IBERIA HOLDINGS SA | Madrid, Spain | Holding company | 100% | | 100% |
| 27. | INTRALOT JAMAICA LTD | Kingston, Jamaica | Technology and support services | | 100% | 100% |
| 27. | INTRALOT TURKEY A.S. | Istanbul, Turkey | Technology and support services | 50% | 49,99% | 99,99% |
| 27. | INTRALOT DE MEXICO LTD | Mexico City, Mexico | Technology and support services | | 99,8% | 99,8% |
| 27. | INTRALOT CHILE SPA | Santiago, Chile | Technology and support services | | 100% | 100% |
| 27. | INTELTEK INTERNET AS | Istanbul, Turkey | Management contracts | 20% | 25% | 45% |
| | POLDIN LTD | Warsaw, Poland | Technology and support services | 100% | | 100% |
| | ATROPOS S.A. | Maroussi, Greece | Technology and support services | 100% | | 100% |
| | INTRALOT SERVICES S.A. | Paiania, Greece | Technology and support services | 100% | | 100% |
| | INTRALOT ADRIATIC DOO | Zagreb, Croatia | Technology and support services | 100% | | 100% |
| | BILYONER INTERAKTIF HIZMELTER AS GROUP | Istanbul, Turkey | Management contracts | 50,01% | | 50,01% |
| | INTRALOT MAROC S.A. | Casablanca, Morocco | Management contracts | 99,83% | | 99,83% |
| 2. | GAMING SOLUTIONS INTERNATIONAL LTDA | Bogota, Colombia | Management contracts | 99% | 1% | 100% |
| | INTRALOT INTERACTIVE S.A. | Maroussi, Greece | Technology and support services | 100% | | 100% |
| | INTRALOT GLOBAL SECURITIES B.V. | Amsterdam, Netherlands | Holding company | 100% | | 100% |
| 1. | INTRALOT CAPITAL LUXEMBOURG S.A. | Luxembourg, Luxembourg | Financial services | | 100% | 100% |
| 1,2,3,4. | INTRALOT GLOBAL HOLDINGS B.V. | Amsterdam, Netherlands | Holding company | | 100% | 100% |
| 5. | INTRALOT INC | Atlanta, USA | Technology and support services | | 100% | 100% |
| 12. | DC09 LLC | Wilmington, USA | Technology and support services | | 49% | 49% |
| 5. | INTRALOT AUSTRALIA PTY LTD | Melbourne, Australia | Technology and support services | | 100% | 100% |
| 26. | INTRALOT GAMING SERVICES PTY | Melbourne, Australia | Technology and support services | | 100% | 100% |
| 5. | ILOT CAPITAL UK LTD | Hertfordshire, United Kingdom | Financial services | 0,02% | 99,98% | 100% |
| 5. | ILOT INVESTMENT UK LTD | Hertfordshire, United Kingdom | Financial services | 0,02% | 99,98% | 100% |
| 5. | INTRALOT NEDERLAND B.V. | Amsterdam, Netherlands | Technology and support services | | 100% | 100% |
| 34. | INTRALOT BENELUX B.V. | Amsterdam, Netherlands | Technology and support services | | 100% | 100% |
| 5. | LOTROM S.A. | Bucharest, Romania | Management contracts | | 84% | 84% |
| 5. | INTRALOT BEIJING Co LTD | Beijing, China | Technology and support services | | 100% | 100% |

| I. Full consolidation | | Domicile | Nature of business | % Direct Part'n | % Indirect Part'n | % Total Part'n |
|-----------------------|--|-------------------------------|---------------------------------|-----------------|-------------------|----------------|
| 5. | TECNO ACCION S.A. | Buenos Aires, Argentina | Technology and support services | | 50,01% | 50,01% |
| 5. | TECNO ACCION SALTA S.A. | Buenos Aires, Argentina | Licensed operations | | 50,01% | 50,01% |
| 5. | MALTCO LOTTERIES LTD | Valetta, Malta | Licensed operations | | 73% | 73% |
| 5. | INTRALOT NEW ZEALAND LTD | Wellington, New Zealand | Technology and support services | | 100% | 100% |
| 5. | INTRALOT DO BRAZIL LTDA | Sao Paulo, Brazil | Licensed operations | | 80% | 80% |
| 14. | OLTP LTDA | Rio de Janeiro, Brazil | Licensed operations | | 80% | 80% |
| 5. | INTRALOT GERMANY GMBH | Munich, Germany | Technology and support services | | 100% | 100% |
| 5. | INTRALOT SOUTH KOREA S.A. | Seoul, S. Korea | Technology and support services | | 100% | 100% |
| 5. | INTRALOT FINANCE UK LTD | London, United Kingdom | Financial services | | 100% | 100% |
| 5,3. | INTRALOT ASIA PACIFIC LTD | Hong Kong, China | Technology and support services | 31,87% | 68,13% | 100% |
| 5. | WHITE EAGLE INVESTMENTS LTD | Hertfordshire, United Kingdom | Holding company | | 100% | 100% |
| 5. | BETA RIAL Sp.Zoo | Warsaw, Poland | Holding company | | 100% | 100% |
| 5. | POLLOT Sp.Zoo | Warsaw, Poland | Holding company | | 100% | 100% |
| 15,16,17 | TOTOLOTEK S.A. | Warsaw, Poland | Licensed operations | | 99,27% | 99,27% |
| 5. | INTRALOT SLOVAKIA SPOL. S.R.O. | Bratislava, Slovakia | Technology and support services | | 100% | 100% |
| 5. | NIKANTRO HOLDINGS Co LTD | Nicosia, Cyprus | Holding company | | 100% | 100% |
| 19. | LOTERIA MOLDOVEI S.A. | Chisinau, Moldova | Licensed operations | 47,90% | 32,85% | 80,75% |
| 5. | INTRALOT BETTING OPERATIONS (CYPRUS) LTD | Nicosia, Cyprus | Holding company | | 54,95% | 54,95% |
| 5,6. | ROYAL HIGHGATE LTD | Nicosia, Cyprus | Licensed operations | | 35,08% | 35,08% |
| 5. | INTRALOT LEASING NEDERLAND B.V. | Amsterdam, Netherland | Financial services | | 100% | 100% |
| 5. | INTRALOT IRELAND LTD | Dublin, Ireland | Technology and support services | | 100% | 100% |
| 5. | BILOT INVESTMENT LTD | Sofia, Bulgaria | Holding company | | 100% | 100% |
| 11. | EUROBET LTD | Sofia, Bulgaria | Licensed operations | | 49% | 49% |
| 13. | EUROBET TRADING LTD | Sofia, Bulgaria | Trading company | | 49% | 49% |
| 13. | ICS S.A. | Sofia, Bulgaria | Licensed operations | | 49% | 49% |
| 5. | INTRALOT GLOBAL OPERATIONS B.V. | Amsterdam, Netherland | Technology and support services | | 100% | 100% |
| 5. | GARDAN LTD | Majuro, Marshall Islands | Technology and support services | | 100% | 100% |
| 5,2. | GAMEWAY LTD | Valletta, Malta | Technology and support services | | 100% | 100% |
| 5. | INTRALOT ITALIAN INVESTMENTS B.V. | Amsterdam, Netherlands | Holding company | | 100% | 100% |
| 5. | BIT8 LTD | Valletta, Malta | Technology and support services | | 100% | 100% |
| 5. | INTRALOT CYPRUS GLOBAL ASSETS LTD | Nicosia, Cyprus | Holding company | | 100% | 100% |
| 8. | INTRALOT OOO | Moscow, Russia | Management contracts | | 100% | 100% |
| 8. | INTRALOT ST. LUCIA LTD | Castries, Santa Lucia | Holding company | | 100% | 100% |
| 9. | INTRALOT GUATEMALA S.A. | Guatemala City, Guatemala | Holding company | | 100% | 100% |
| 10. | LOTERIAS Y APUESTAS DE GUATEMALA S.A. | Guatemala City, Guatemala | Technology and support services | | 51% | 51% |

| I. Full consolidation | | Domicile | Nature of business | % Direct Part'n | % Indirect Part'n | % Total Part'n |
|-----------------------|--|---------------------|---------------------------------|-----------------|-------------------|----------------|
| | INTRALOT HOLDINGS INTERNATIONAL LTD | Nicosia, Cyprus | Holding company | 100% | | 100% |
| 2. | INTRALOT INTERNATIONAL LTD | Nicosia, Cyprus | Technology and support services | | 100% | 100% |
| 3. | INTRALOT OPERATIONS LTD | Nicosia, Cyprus | Technology and support services | | 100% | 100% |
| 2,4. | NETMAN SRL | Bucharest, Romania | Management contracts | | 100% | 100% |
| 2. | BILOT EOOD | Sofia, Bulgaria | Holding company | | 100% | 100% |
| 20. | EUROFOOTBALL LTD | Sofia, Bulgaria | Licensed operations | | 49% | 49% |
| 2. | INTRALOT TECHNOLOGIES LTD | Nicosia, Cyprus | Technology and support services | | 100% | 100% |
| 2,22. | INTRALOT LOTTERIES LTD | Nicosia, Cyprus | Holding company | 0,01% | 99,99% | 100% |
| 2. | INTRALOT BUSINESS DEVELOPMENT LTD | Nicosia, Cyprus | Technology and support services | | 100% | 100% |
| 2,4. | GAMING SOLUTIONS INTERNATIONAL SAC | Lima, Peru | Licensed operations | | 100% | 100% |
| 2. | NAFIROL S.A. | Montevideo, Uruguay | Technology and support services | | 100% | 100% |
| 2. | LEBANESE GAMES S.A.L | Beirut, Lebanon | Technology and support services | | 99,99% | 99,99% |
| 2. | INTRALOT HONG KONG HOLDINGS LTD | Hong Kong, China | Holding company | | 100% | 100% |
| 3. | ENTERGAMING LTD | Alderney, Guernsey | Licensed operations | | 100% | 100% |
| 2. | INTRALOT BETTING OPERATIONS RUSSIA LTD | Nicosia, Cyprus | Holding company | | 100% | 100% |

| II. Equity method | | Domicile | Nature of business | % Direct Part'n | % Indirect Part'n | % Total Part'n |
|-------------------|---|-------------------------|---------------------------------|-----------------|-------------------|----------------|
| | LOTRICH INFORMATION Co LTD | Taipei, Taiwan | Technology and support services | 40% | | 40% |
| | INTRALOT SOUTH AFRICA LTD | Johannesburg, S. Africa | Technology and support services | 45% | | 45% |
| 2,3. | GOREWARD LTD | Taipei, Taiwan | Holding company | | 38,84% | 38,84% |
| 29. | GOREWARD INVESTMENTS LTD | Taipei, Taiwan | Holding company | | 38,84% | 38,84% |
| 29. | PRECIOUS SUCCESS LTD GROUP | Hong Kong, China | Licensed operations | | 19,03% | 19,03% |
| 29. | GAIN ADVANCE GROUP LTD | Hong Kong, China | Holding company | | 38,84% | 38,84% |
| 29. | OASIS RICH INTERNATIONAL LTD | Taipei, Taiwan | Technology and support services | | 38,84% | 38,84% |
| 30. | WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD | Shanghai, China | Technology and support services | | 38,84% | 38,84% |
| 2. | UNICLIC LTD | Nicosia, Cyprus | Holding company | | 50% | 50% |
| 25. | DOWA LTD | Nicosia, Cyprus | Holding company | | 30% | 30% |
| 7. | GAMENET GROUP S.p.A. ² | Rome, Italy | Holding company | | 20% | 20% |
| 24. | GAMENET S.p.A. | Rome, Italy | Licensed operations | | 20% | 20% |
| 31. | INTRALOT ITALIA S.p.A. ¹ | Rome, Italy | Licensed operations | | 20% | 20% |
| 31. | GAMENET ENTERTAINMENT S.R.L. | Rome, Italy | Licensed operations | | 20% | 20% |
| 32. | EASY PLAY S.R.L. | Rome, Italy | Licensed operations | | 10,20% | 10,20% |
| 32. | LA CHANCE S.R.L. | Rome, Italy | Licensed operations | | 20% | 20% |

| II. Equity method | | Domicile | Nature of business | % Direct Part'n | % Indirect Part'n | % Total Part'n |
|-------------------|---------------------------------|-----------------|---------------------------------|-----------------|-------------------|----------------|
| 31. | TOPPLAY S.R.L. | Rome, Italy | Licensed operations | | 20% | 20% |
| 31. | GNETWORK S.R.L. | Rome, Italy | Licensed operations | | 20% | 20% |
| 31. | BILLIONS ITALIA S.R.L. | Rome, Italy | Licensed operations | | 10,20% | 10,20% |
| 31. | JOLLY VIDEOGIOCHI S.R.L. | Rome, Italy | Licensed operations | | 16,98% | 16,98% |
| 33. | ROSILSPORT S.R.L. | Milan, Italy | Technology and support services | | 12,74% | 12,74% |
| 31. | NEW MATIC S.R.L. | Rome, Italy | Licensed operations | | 10,20% | 10,20% |
| 31. | AGESOFT S.R.L. | Rome, Italy | Technology and support services | | 12% | 12% |
| 31. | GOLDBET S.p.A. ¹ | Rome, Italy | Licensed operations | | 20% | 20% |
| 24. | THINKABOUT S.R.L. | Rome, Italy | Technology and support services | | 8,75% | 8,75% |
| 5. | KARENIA ENTERPRISES COMPANY LTD | Nicosia, Cyprus | Holding company | | 50% | 50% |
| | INTRALOT DE PERU SAC | Lima, Peru | Licensed operations | 20% | | 20% |

Subsidiary of the company:

| | | | |
|--|-------------------------------------|-----------------------------------|----------------------------------|
| 1: Intralot Global Securities BV | 10: Intralot Guatemala S.A. | 19: Nikantro Holdings Co LTD | 28: Inteltek Internet AS |
| 2: Intralot Holdings International LTD | 11: Bilot Investment Ltd | 20: Bilot EOOD | 29: Goreward LTD |
| 3: Intralot International LTD | 12: Intralot Inc | 21: Eurofootball LTD | 30: Oasis Rich International LTD |
| 4: Intralot Operations LTD | 13: Eurobet Ltd | 22: Intralot Technologies LTD | 31: Gamenet S.p.A. |
| 5: Intralot Global Holdings BV | 14: Intralot Do Brazil LTDA | 23: Betting Company S.A. | 32: Gamenet Entertainment S.R.L. |
| 6: Intralot Betting Operations(Cyprus) LTD | 15: Pollot Sp.Zoo | 24: Gamenet Group S.p.A. | 33: Jolly Videogiochi S.R.L. |
| 7: Intralot Italian Investments B.V. | 16: White Eagle Investments LTD | 25: Uniclic LTD | 34: Intralot Nederland BV |
| 8: Intralot Cyprus Global Assets LTD | 17: Beta Rial Sp.Zoo. | 26: Intralot Australia PTY LTD | |
| 9: Intralot St. Lucia LTD | 18: Intralot Capital Luxemburg S.A. | 27: Intralot Iberia Holdings S.A. | |

¹ As at 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed GoldBet S.p.A. (100% subsidiary of Gamenet S.p.A.). As at 1/5/2019 the associate company Intralot Italia S.p.A was renamed to GoldBet S.p.A..

² The Group consolidated on 30/9/2019 the Gamenet Group S.p.A. using the equity method and the financial statements for the period 1/10/2018-30/6/2019 pursuant to IAS 28 paragraph 34, as the preparation and approval deadlines for the financial statements of Gamenet Group S.p.A. are later than those of the Intralot Group. Gamenet Group S.p.A. consolidates for the first time Goldbet S.p.A. as at 1/10/2018 after the completion of the acquisition. Intralot Group consolidates for the first time in the financial statement of the first quarter of 2019 pursuant to IAS 28 paragraph 34.

The standalone annual financial statements of the most important subsidiaries of the Group (not listed on a stock exchange) are posted on the INTRALOT website (www.intralot.com) pursuant to article 1 of the Board of Directors' decision 8/754 / 14.04.2016 of the Hellenic Capital Market Commission.

The entities Loteria Moldovei S.A., Gameway Ltd, Intralot De Mexico Ltd, Intralot Services S.A., Intralot OOO and Gain Advance Group LTD are under liquidation process.

On 30/9/2019, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.

The following United Kingdom subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the statutory audit of individual company accounts by virtue of Section 479A of that Act:

Intralot Finance UK Ltd (company number 6451119)

White Eagle Investments Limited (company number 3450868)

Ilot Capital UK Limited (company number 9614324)

Ilot Investments UK Ltd (company number 9614271)

However, Intralot Finance UK Ltd has been audited in 2018 for IFRS Group reporting purposes.

III. Acquisitions

Goldbet - Italy

On July 24, 2018, the associate entity Gamenet Group S.p.A. (20%) announced that signed a binding contract for the acquisition of 100% of the share capital of GoldBet S.r.l. ("GoldBet"), an authorized gaming and betting company in Italy, that operates a retail network of 990 betting shops rights and holds the concession to collect online games and bets, including via mobile platforms. On October 9, 2018, announced that completed the acquisition GoldBet, (which, on the same day, was transformed into GoldBet S.p.A.).

GoldBet ended 2017 with EBITDA of €41 million, EBIT €35 million, Net Income of €23 million and generated an EBITDA for the period of 12 months ended June 30, 2018 of €54 million. The purchase price of the acquisition was equal to approximately €273 million. Of this amount, approximately €242 million, net of certain costs incurred by the seller, was paid in cash on the closing date, with the remaining €31 million to be paid subsequently, as a deferred price component over a medium term period, subject to the fulfillment of certain conditions provided for in the acquisition agreement. The acquisition will allow Gamenet group to assume a leading position in Italy in the multi-concession gaming sector, in particular in the sports betting sector, and to significantly increase the ceodegree of diversification of its product portfolio and profitability, at EBITDA, EBIT and net profit levels. The Closing was subject to the occurrence of the usual conditions precedent for this type of transaction, including the prior approval of the Italian Competition Authority, which was received on September 17, 2018 and the authorization of the Customs and Monopolies Agency, which was received on August 2, 2018. The Group consolidated Goldbet for the first time as at 31/3/2019 in its financial statements pursuant to IAS 28 paragraph 34, as the preparation and approval deadlines for the financial statements of Gamenet Group S.p.A. are later than those of the Intralot Group.

In September 2019, the associate entity Gamenet Group S.p.A. (20%) bought 43,75% of the Italian start up company Thinkabout S.r.l. engaged in software development.

IV. New Companies of the Group

The Group did not establish any new entity in the nine months of 2019.

In October 2019, the Group established Intralot Tech - Single Member S.A., domiciled in Greece and operating in the field of Software Development and Provision of Information Systems and Services, being a 100% subsidiary of Intralot Inc.

V. Changes in ownership percentage

In January 2019 the associate company Gamenet Entertainment S.R.L. (20%) increased the percentage participation in La Chance S.R.L. to 100% through the acquisition of additional percentage from the non controlling interest. In February 2019 the associate company Gamenet S.p.A. (20%) increased the percentage participation in Jolly Videogiochi S.R.L. to 84,9% by 70% through the acquisition of additional percentage from the non controlling interest.

During the third quarter of 2019, the Group increased its stake in Lotrom S.A. to 84% from 60% through the acquisition of additional percentage from the non-controlling interest. The total consideration amounted to €29 thousand. Below are the effects on equity attributable to the equity holders of the Company for the change of ownership rights of Lotrom SA that do not result in change of control:

| Amounts in thousands of € | |
|--|-------|
| Carrying amount of addition stake in Lotrom SA | 2.857 |
| Difference recognized in retained earnings attributable to the equity holders of the Company | 2.828 |

VI. Subsidiaries' Share Capital Increase

During the nine months of 2019 the Group completed a share capital increase through payment in cash in Netman SRL amounting €171 thousand.

VII. Strike off - Disposal of Group Companies

The Group completed the liquidation and strike off of its subsidiaries Intralot Guatemala S.A. (January 2019), Gaming Solutions International Ltda (January 2019), Intralot Hong Kong Holdings Ltd (March 2019), Atropos S.A. (March 2019), Lebanese Games S.A.L. (May 2019), Poldin Ltd (May 2019), Loterias y Apuestas De Guatemala S.A. (June 2019), Intralot Slovakia S.R.O. (June 2019), Intralot South Korea S.A. (September 2019), Nafirof S.A. και Intralot St. Lucia Ltd (October 2019). In May 2019 liquidation and strike off of the associate Topplay S.R.L. was completed.

In October and in November 2019 INTRALOT announced that its subsidiary Intralot Italian Investments B.V. signed a share purchase agreement with the Italian company "Gamma Bidco S.r.l." (a company formed on behalf of funds managed by Apollo Management IX, L.P.) for the sale of its stake in Gamenet Group S.p.A. (6.000.000 shares or 20% of its share capital), for the amount of €78 million. The transaction is expected to be completed following the necessary approvals to be granted by the relevant competition and regulatory authorities. The result of the above transaction will be recognized in the fourth quarter of 2019.

VIII. Discontinued Operations

A) Azerbaijan

The management of the subsidiary Inteltek Internet AS (45%), parent of Azerinteltek AS, decided in mid-February 2018 to investigate the possibility of selling its 51% stake in Azerinteltek AS. At the end of October 2018, Inteltek Internet AS's management decided to sell 51% of Azerinteltek AS shares

(nominal value AZN51.000) to Baltech Investment LLC, which owns 24,5% of Azerinteltek AS's share capital. On 15/11/2018 the final Share Purchase Agreement (SPA) was signed for a total consideration of approximately €19,5 million. The transfer of these shares was completed at the end of 2018. The aforementioned subsidiary is presented in the geographic operating segment "Other Countries" (Note 2.2). As of 31/12/2018, the Group's above activities in Azerbaijan were classified as discontinued operations.

Below are presented the results of discontinued operations of the Group in Azerbaijan for the period 1/1-30/9/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018):

| | 1/1-30/9/2018 |
|---|----------------------|
| Sale proceeds | 121.333 |
| Expenses | -104.361 |
| Other operating income | 97 |
| Other operating expenses | 0 |
| EBIT | 17.069 |
| EBITDA | 17.314 |
| Income / (expense) from participations and investments | 0 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | 24 |
| Interest and similar expenses | -30 |
| Interest and similar income | 150 |
| Exchange Differences | 64 |
| Profit/(loss) before tax | 17.277 |
| Income tax | -7.342 |
| | 9.935 |
| Gain/(loss) from disposal of discontinued operations | 0 |
| Relevant taxes | 0 |
| Gain/(loss) after taxes from discontinued operations | 9.935 |
| Attributable to: | |
| Equity holders of the parent Company | 3.902 |
| Non-controlling interest | 6.033 |

Below are presented the results of discontinued operations of the Group in Azerbaijan for the period 1/7-30/9/2018 (in 2018 it was consolidated with the full consolidation method until 31/12/2018):

| | 1/7-30/9/2018 |
|---|----------------------|
| Sale proceeds | 39.183 |
| Expenses | -32.622 |
| Other operating income | 2 |
| Other operating expenses | 0 |
| EBIT | 6.563 |
| EBITDA | 6.644 |
| Income / (expense) from participations and investments | 0 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | 24 |
| Interest and similar expenses | -10 |
| Interest and similar income | 48 |
| Exchange Differences | 58 |
| Profit/(loss) before tax | 6.683 |
| Income tax | -2.356 |
| | 4.327 |
| Gain/(loss) from disposal of discontinued operations | 0 |
| Relevant taxes | 0 |
| Gain/(loss) after taxes from discontinued operations | 4.327 |
| Attributable to: | |
| Equity holders of the parent Company | 1.541 |
| Non-controlling interest | 2.786 |

The consideration price of Azerinteltek AS amounted to €19.530 thousand and was repaid in December 2018.

Below are presented the net cash flows of the discontinued operations in Azerinteltek AS:

| | 1/1-30/9/2018 |
|--|---------------|
| Operating activities | 6.731 |
| Investing activities | -11 |
| Financing activities | -3.209 |
| Effect from exchange differences | 234 |
| Net increase / (decrease) in cash and cash equivalents for the period | 3.745 |

B) Poland

On March 26, 2019 INTRALOT Group announced that it has reached an agreement with Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany to take over the renowned sports betting company Totolotek SA – an INTRALOT subsidiary in Poland. The share purchase agreement has already been concluded and both parties are now awaiting merger clearance. With this acquisition, the German company will enter the Polish market and thus expand its presence in Europe. Soon Polish sports betting fans will be able to place their bets under the sign of the well-known MERKUR sun: Merkur Sportwetten GmbH. Totolotek has been firmly established in the Polish sports betting market for over 27 years and is one of the top three omnichannel betting companies in Poland. It markets its wide range of sports betting products through stationary trade at over 260 distribution points as well as online via its website and mobile app. Totolotek currently has 560 employees. The aforementioned subsidiary is presented in the geographic operating segment "European Union" (Note 2.2). Since, 31/3/2019 the Group's above activities in Poland were classified as assets held for sale and discontinued operations pursuant to IFRS 5. The transfer of Totolotek SA shares was completed at the end of April 2019 and the Group consolidated it by 30/4/2019.

Below are presented the results of discontinued operations of the Group in Poland (Totolotek SA) for the period 1/1-30/4/2019 (in 2019 it was consolidated with the full consolidation method until 30/4/2019) and respectively for 2018:

| | 1/1-30/4/2019 | 1/1-30/9/2018 |
|---|---------------|---------------|
| Sale proceeds | 28.586 | 64.533 |
| Expenses | -30.589 | -65.682 |
| Other operating income | 78 | 223 |
| Other operating expenses | -22 | -44 |
| EBIT | -1.947 | -970 |
| EBITDA | -1.845 | -526 |
| Income / (expense) from participations and investments | 0 | 0 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | -7 | -5 |
| Interest and similar expenses | -83 | -277 |
| Interest and similar income | 1 | 15 |
| Exchange Differences | -30 | -454 |
| Profit/(loss) before tax | -2.066 | -1.691 |
| Income tax | 0 | 0 |
| | -2.066 | -1.691 |
| Gain/(loss) from disposal of discontinued operations | 7.349 | 0 |
| Relevant taxes | 0 | 0 |
| Gain/(loss) after taxes from discontinued operations | 5.283 | -1.691 |
| Attributable to: | | |
| Equity holders of the parent Company | 5.283 | -1.591 |
| Non-controlling interest | 0 | -100 |

Below are presented the results of discontinued operations of the Group in Poland (Totolotek SA) for the period 1/7-30/9/2019:

| | 1/7-30/9/2018 |
|---|---------------|
| Sale proceeds | 20.590 |
| Expenses | -20.944 |
| Other operating income | 70 |
| Other operating expenses | -15 |
| EBIT | -299 |
| EBITDA | -124 |
| Income / (expense) from participations and investments | 0 |
| Gain/(loss) from assets disposal, impairment loss and write-off of assets | -1 |
| Interest and similar expenses | -132 |
| Interest and similar income | 1 |
| Exchange Differences | 184 |
| Profit/(loss) before tax | -247 |
| Income tax | 0 |
| | -247 |
| Gain/(loss) from disposal of discontinued operations | 0 |
| Relevant taxes | 0 |
| Gain/(loss) after taxes from discontinued operations | -247 |
| Attributable to: | |
| Equity holders of the parent Company | -232 |
| Non-controlling interest | -15 |

The final consideration for the disposal of Totolotek SA amounted to approximately €8,0 million, including the contingent consideration, in case of meeting certain terms and requirements within 2 years, amounting to approximately €1,8 million on a discounted basis (€2,0 million in future value). From the above consideration amount approximately €5,5 million was paid in the first six-months of 2019 and amount approximately €0,8 million in July 2019. The net assets held for sale (including non-controlling interests and foreign exchange reserves) of Totolotek SA amounted on 30/4/2019 to €1,2 million, forming the gross gain from disposal of discontinued operations to €7,4 million. By subtracting foreign exchange differences that have been reclassified from the foreign exchange reserve in the Group's income statement, net gain from disposal of discontinued operations amounted to €6,8 million, which are presented in the Group's Income Statement (line "Profit / (loss) after tax from discontinued operations").

The net cash inflow of the Group during the first nine months of 2019 from the disposal of discontinued operations in Poland amounted to €5,1 million, consisting of the consideration and the derecognition of Totolotek SA cash equivalents.

Below are presented the net cash flows of the discontinued operations in Totolotek SA:

| | 1/1-30/4/2019 | 1/1-30/9/2018 |
|--|---------------|---------------|
| Operating activities | -1.299 | -268 |
| Investing activities | -1.740 | -366 |
| Financing activities | 1.336 | -1.575 |
| Effect from exchange differences | 3 | -39 |
| Net increase / (decrease) in cash and cash equivalents for the period | -1.700 | -2.248 |

Below are presented the Profit / (loss) after tax per share of the discontinued operations of the Group subsidiaries in Azerinteltek AS and Totolotek SA:

| Earnings / (loss) after tax per share (€) from discontinued operations | 1/1-30/9/2019 | 1/1-30/9/2018 |
|--|---------------|---------------|
| - basic | 0,0357 | 0,0150 |
| - diluted | 0,0357 | 0,0150 |
| Weighted Average number of shares | 147.761.688 | 153.852.870 |

IX. Companies merge

As at 1/1/2019, the associate company Intralot Italia S.p.A. (20%) absorbed GoldBet S.p.A. (100% subsidiary of Gamenet S.p.A.). As at 1/5/2019 the associate company Intralot Italia S.p.A. (20%) was renamed to GoldBet S.p.A..

B. REAL LIENS

A Group subsidiary in Malta has banking facility amounting €4,3 million, for issuing bank letters of guarantee. This facility is secured by an initial general mortgage on all the subsidiary's present and future assets (on 30/9/2019 the letters of guarantee used amounted to €4,0 million). Also, a Group subsidiary in Bulgaria has secured a loan of €0,9 million by pledging its total trading activity and fixed assets of its subsidiary.

There are no other restrictions than the above, in the ownership or transfer or other encumbrances on the Group's property.

On September 30, 2019, the Group had no contractual commitments for the purchase of tangible assets.

In the Group Statement of Financial Position (row "Trade and other short term receivables") of 30/9/2019 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2018: €30 thousand) and other collateralized bank deposits amounting to €375 thousand (31/12/2018: €359 thousand). Respectively, for the Company on 30/9/2019 are included collateralized bank deposits as security coverage for banking facilities amounting €30 thousand (31/12/2018: €30 thousand) and other collateralized bank deposits amounting to €127 thousand (31/12/2018: €129 thousand).

C. PROVISIONS

| GROUP | Litigation cases ¹ | Unaudited fiscal years and tax audit expenses ² | Other provisions ³ | Total provisions |
|-------------------------------|-------------------------------|--|-------------------------------|------------------|
| Period opening balance | 4.455 | 3.572 | 4.884 | 12.911 |
| Period additions | 3 | 2.128 | 290 | 2.421 |
| Utilized provisions | -7 | -463 | -2.040 | -2.510 |
| Non utilized provisions | 0 | 0 | -2 | -2 |
| Sale of subsidiaries | 0 | 0 | -494 | -494 |
| Foreign exchange differences | -74 | 7 | -52 | -119 |
| Period closing balance | 4.377 | 5.244 | 2.586 | 12.207 |
| Long term provisions | 4.257 | 5.244 | 73 | 9.574 |
| Short term provisions | 120 | 0 | 2.513 | 2.633 |
| Total | 4.377 | 5.244 | 2.586 | 12.207 |

¹ Relate to litigation cases as analyzed in note [2.21.A](#).

² Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

³ Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €1.521 thousand as well as provisions amounting to €632 for earned winnings which relate to sports betting prices and guaranteed future numerical games jackpots. The Other provisions are expected to be used in the next 1-6 years.

| COMPANY | Litigation cases ¹ | Unaudited fiscal years and tax audit expenses ² | Other provisions | Total provisions |
|-------------------------------|-------------------------------|--|------------------|------------------|
| Period opening balance | 4.390 | 3.116 | 91 | 7.597 |
| Period additions | 0 | 2.128 | 0 | 2.128 |
| Utilised Provisions | -7 | 0 | -91 | -98 |
| Foreign exchange differences | -74 | 0 | 0 | -74 |
| Period closing balance | 4.309 | 5.244 | 0 | 9.553 |
| Long term provisions | 4.256 | 5.244 | 0 | 9.500 |
| Short term provisions | 53 | 0 | 0 | 53 |
| Total | 4.309 | 5.244 | 0 | 9.553 |

¹ Relate to litigation cases as analyzed in note [2.21.A](#).

² Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-3 years.

D. PERSONNEL EMPLOYED

The number of employees of the Group on 30/9/2019 amounted to 4.520 persons (Company/subsidiaries 2.333 and associates 2.187) and the Company's to 633 persons. Respectively on 30/9/2018 the number of employees of the Group amounted to 5.112 persons (Company/subsidiaries 3.066 and associates 2.046) and the Company 696 persons. At the end of 2018 fiscal year the number of employees of the Group amounted to 5.187 persons (Company/subsidiaries 3.021 and associates 2.166) and the Company 691 persons.

E. RELATED PARTY DISCLOSURES

Intralot SA purchases goods and services and/or provides goods and services to various related companies, in the ordinary course of business. These related companies consisting of subsidiaries, associates or other related companies which have common ownership and / or management with Intralot SA.

Below is a condensed report of the transactions for the nine months of 2019 and the balances on 30/9/2019 of other related parties:

| Amounts reported in thousands of € (total operations) | 1/1-30/9/2019 | |
|--|----------------------|----------------|
| | GROUP | COMPANY |
| Income | | |
| -from subsidiaries | 0 | 31.262 |
| -from associates and joint ventures | 6.148 | 7.395 |
| -from other related parties | 5.063 | 3.342 |
| Expenses | | |
| -to subsidiaries | 0 | 15.989 |
| -to associates and joint ventures | 2 | 2 |
| -to other related parties | 14.353 | 6.459 |
| BoD and Key Management Personnel transactions and fees | 5.609 | 3.628 |

| Amounts reported in thousands of € | 30/9/2019 | |
|--|------------------|----------------|
| | GROUP | COMPANY |
| Receivables | | |
| -from subsidiaries | 0 | 57.803 |
| -from associates and joint ventures | 12.197 | 8.665 |
| -from other related parties | 5.195 | 1.964 |
| Payables | | |
| -to subsidiaries | 0 | 295.124 |
| -to associates and joint ventures | 1.417 | 0 |
| -to other related parties | 9.562 | 5.398 |
| BoD and Key Management Personnel receivables | 33 | 0 |
| BoD and Key Management Personnel payables | 183 | 0 |

Below there is a summary of the transactions for the nine months of 2018 and the balances on 31/12/2018 with related parties:

| Amounts reported in thousands of € (total operations) | 1/1-30/9/2018 | |
|--|----------------------|----------------|
| | GROUP | COMPANY |
| Income | | |
| -from subsidiaries | 0 | 26.110 |
| -from associates and joint ventures | 4.673 | 5.491 |
| -from other related parties | 5.644 | 3.695 |
| Expenses | | |
| -to subsidiaries | 0 | 15.270 |
| -to associates and joint ventures | 31 | 10 |
| -to other related parties | 6.975 | 3.626 |
| BoD and Key Management Personnel transactions and fees | 5.468 | 3.237 |

| Amounts reported in thousands of € | 31/12/2018 | |
|--|------------|---------|
| | GROUP | COMPANY |
| Receivables | | |
| -from subsidiaries | 0 | 76.874 |
| -from associates and joint ventures | 10.869 | 7.350 |
| -from other related parties | 11.603 | 8.669 |
| Payables | | |
| -to subsidiaries | 0 | 308.351 |
| -to associates and joint ventures | 1 | 0 |
| -to other related parties | 10.325 | 7.179 |
| BoD and Key Management Personnel receivables | 23 | 0 |
| BoD and Key Management Personnel payables | 456 | 220 |

Sales and services to related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above receivables.

In the nine months of 2019, the Company made a provision concerning an estimate of reduction of the recoverable value of receivables from subsidiaries amounting to €0,2 million that were recorded in the income statement of the period while at the same time it used provisions of previous years amounting €2,9 million due to the sale of Totolotek S.A. and the beginning of liquidation process of Loteria Moldovei S.A..

Alongside, the Company made a reversal of provisions regarding an estimate for reduction in the recoverable amount of receivables from subsidiaries amounting €0,2 million, due to the capitalization of the relevant receivables from the subsidiaries and was recorded in the income statement of the period. The cumulative provisions of 30/9/2019 was amounted to €25,7 million (31/12/2018: €28,6 million).

2.21 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT, a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8th March 2007 before the Multi-member Athens Court of First Instance. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of €300.000 to be paid to him as monetary compensation for moral damages. Date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012 when the case was heard and the decision no. 5724/2012 of the Athens Multi-member Court of First Instance was issued which dismissed the lawsuit. On 17 October 2015 an appeal was served to the company against the above decision, which was scheduled to be heard before the Athens Court of Appeals on 11 February 2016; on that date the hearing was postponed for 22 September 2016 due to lawyers strike when it was cancelled, while following a request of the plaintiff a new hearing date is set for 9 March 2017 when the case has been heard and a decision of the Court of Appeals was issued which ordered the repeat of the appeal's hearing. The date for the hearing was set for the 22nd of February 2018 when the case was heard and decision no. 3253/2018 of the Athens

Court of Appeals was issued which rejected the appeal; until now, no application for cassation has been filed by the opponent.

b. In Turkey the companies Teknoloji Holding A.Ş. and Teknoser Bilgisayar Teknik Hizmetler Sanayi ve Dış Ticaret A.Ş. have filed a lawsuit against Intralot and Inteltek claiming that due to wrong calculation of the reserves of the years 2005 and 2006, the distributed dividends to the then shareholders of Inteltek should have been higher and for this reason they are requesting that the amount of TL 609.310,40 (€99.089,36) plus interest to be paid to them. A First Instance Court decision was issued which accepted the lawsuit against Intralot. The appeal filed by the Company was accepted only in relation to the amount of the interests while it was rejected with regards to the capital amount. A new appeal was filed by the Company with regards to the capital amount which is pending.

c. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (€6,2m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. On 31 August 2016 an application was served to the Company requesting to render the abovementioned arbitration decision as executable in Greece which was heard before the Athens One-Member First Instance Court and the decision issued accepted it. The Company filed an appeal against this decision which was rejected by the Athens Court of Appeals. The Company filed, before the Supreme Court, a cassation appeal against the decision of the Athens Court of Appeals which is pending and, in parallel, a request for suspension of execution which has been scheduled to be heard on 6 December 2019. Until then, a temporary order for the non-execution of the above decision has been issued by the Supreme Court. The Company has created relative provision in its financial statements part of which (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

d. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for €2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

e. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) in order to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and was partially accepted. The Company filed an appeal against this decision which was rejected. Following postponements, the case was heard on 10 June 2016 and the respective first instance decision was issued on 19 July 2016; the lawsuit against LOTROM was rejected while it was accepted partially in respect to its part filed against Intralot Holdings International Ltd., obligating the latter to pay the amount of the purchase and the legal expenses. Both Intralot Holdings International Ltd. and Mr. Petre Ion filed appeals against this decision which was heard and were rejected. The decision became final, while the application for cassation filed by Intralot Holdings International Ltd. was rejected.

f. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 RON (€1.166.808,57) and to the subsidiary LOTROM to 512.469 RON (€107.897,30). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been rejected. Finally, the applications for the annulment of the decision of the Competition Board filed by LOTROM and INTRALOT were accepted by the court and the respective fines were cancelled. Against LOTROM and the respective abovementioned decision, the Competition Board of Romania filed an appeal which has been scheduled for hearing, following postponements, on 5 December 2019. The Competition Board filed a separate appeal against the decision which accepted Intralot's application for the annulment which has been scheduled for hearing initially on 7 April 2020 and then on 10 March 2020.

g. In Romania, the subsidiary Lotrom was notified on the beginning of an investigation conducted by the competent authorities against the state lottery CNLR, client of the Group, in relation to alleged occurrence of the crime of conducting games of chance without license and possible complicity to that, in relation to the operation of Video Lottery machines of CNLR; the Group was the technology provider of CNLR from 2003 to 2014. Intralot was notified, through rogatory procedure, that itself along with LOTROM and Intracom, are alleged to be accomplices of the state lottery CNLR to the abovementioned crimes. Intralot refuted with a memo duly submitted within February 2016, the above allegations. Due to the initial stage of the procedure which, for the time, relates to the collection of evidences and the conduct of investigation actions and the nature of the case as well as due to the secrecy of the investigation procedures, neither further comments on the issue nor any estimation of any possible negative financial effect on the financials of the group can be provided.

h. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT was holding until 10.10.2017 an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a «Relief Defendant» which means that INTRALOT is not alleged to have been part - directly or indirectly - of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. Intralot agrees with SVL's opinion that the Complaint is wholly without merit and expects that it will be successful in the Florida courts, as it was in the Jamaican courts.

i. In Brazil, a former officer of a subsidiary company filed a lawsuit against such subsidiary requesting several amounts to be paid to him as fees resulting from his labour relationship amounting to approx. €240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. On 23 August 2013, the decision of the local court was issued dismissing the lawsuit. The plaintiff filed an appeal and a decision was issued at the end of July 2014 which referred the case for a new hearing before the Court of First Instance. The court accepted the claim of the plaintiff in relation to the amounts owed due to his labor relationship but rejected the claim for remuneration resulting from a services agreement. The company filed an appeal before the Supreme Labor Court which is rejected. The amount adjudicated was paid to the plaintiff and the case is closed.

j. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and a decision was issued accepting Intralot's lawsuit in full. ODIE filed an appeal against this decision which has been heard on 1 November 2018 before the Athens Court of Appeal which was rejected with the decision no. 3153/2019 of the Athens Court of Appeal.

Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:

a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.

b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11, which, following the issue of the above decision no. 3153/2019 of the Athens Court of Appeal, partially turned to a mortgage for the total amount adjudicated, i.e. for the amount of €2.781.381,15

c) advanced the procedure of compulsory execution against ODIE in order to execute its claims.

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The lawsuit was heard on 4 October 2017 and the decision issued accepted the lawsuit. ODIE filed an appeal which was heard before the Athens Court of Appeal on 24 October 2019 and the decision is pending.

The confiscation on the above land property of ODIE in Markopoulo Attica imposed in the frame of the abovementioned procedure of compulsory execution against ODIE, was reversed with the consent of Intralot on 15 December 2015 in execution of the terms of the agreement dated 24 November 2015 between Intralot and ODIE which settled the payment of all above claims of Intralot. Pursuant to this agreement, ODIE assigned to Intralot 2/3 of the rent which it will receive from the lease agreement relating to that real estate to the company "Ippodromies SA". The payment of the assigned rent amounts has already been started.

k. A former officer of the Company filed a lawsuit before the Athens First Instance Court requesting to be recognized that the Company had to pay him the amount of €121.869,81 as non-paid wages. The decision issued partially accepted the lawsuit in relation to the amount of €80.685,42. An appeal has been filed by the Company. Until today, no appeal of the plaintiff has been served to the Company.

l. In Poland a lawsuit was filed against the subsidiary "Totolotek SA" by a player of betting games; he claims that the amount of 861.895PLN (€196.860,58) which was not paid by the abovementioned subsidiary because of violation of the betting regulations by the plaintiff, is due to him. "Totolotek SA" has requested the case to be heard before the Warsaw courts (instead of the courts of the town Torun) and this application was accepted, however the plaintiff has filed a recourse requesting that the case to be heard before the courts of Torun which was rejected by the court and the case will be scheduled for new hearing by the Warsaw courts. At the beginning of May 2019, Intralot Group announced the completion of the sale of "Totolotek SA" to Merkur Sportwetten GmbH, a subsidiary of the Gauselmann Group based in Espelkamp, Germany.

m. There is a dispute pending between on the one hand the subsidiary company Intralot Leasing Netherlands B.V. in its capacity as lessee and the Company in its capacity as guarantor and on the other hand the company Econocom Nederland B.V. with respect to a sale and leaseback of equipment agreement dated 28 March 2013 and more specifically in relation to a claim of Econocom Nederland B.V. for further payments to it. As per the agreement's terms, a stand-by letter of credit issued by the French bank Societe Generale in the amount of €5mil. had been delivered to Econocom Nederland B.V. The Company requested from the competent French court in Paris this stand-by letter of credit not to be called and the court issued a temporary decision restricting Societe Generale from paying any amount from the above stand-by letter of credit to Econocom Nederland B.V. until the hearing of the case, following postponement, on 17 January 2017. Additionally, the Company filed injunctions in the Netherlands against Econocom Nederland B.V. and the court accepted the respective application and prohibited Econocom Nederland B.V. to request the payment of the abovementioned letter of guarantee and of the relevant corporate guarantee, until the issue of the final judgment, ordering Econocom Nederland B.V. to pay a penalty of €10m in case of breach of the prohibition. Against the injunctions decision Econocom Nederland B.V. filed an appeal which was heard on 13 November 2017 and the decision issued rejected the appeal and upheld the decision on the injunctions. Against this decision

Econocom Nederland B.V. filed an appeal for cassation which is pending. A lawsuit was also filed with a request to be recognized that no further amounts are due to Econocom Nederland B.V. by virtue of the above agreement; the lawsuit which was heard and was accepted by the court. Against this decision Econocom Nederland B.V. filed an appeal which is pending, while a new date of hearing has been set for 29 January 2020.

n. In Romania, the company "INTRAROM SA" having its registered offices in Romania, requested arbitration against Intralot before the Arbitration Court of the Romanian Chamber of Commerce and Industry claiming the amount of 3.960.649,42 RON (€833.891,15) for unpaid invoices and the amount of 3.210.848,10 RON (€676.024,95) for delay penalties until 11.7.2017 and additional delay penalties from 11.7.2017 until payment. The arbitration procedure which was issued in July 2019 obliges Intralot to pay to "INTRAROM SA" the amount of 2.307.744,73 RON (€485.881,91). The amount adjudicated was paid to the plaintiff and the case is closed. Intralot had acknowledged sufficient provisions in its financial statements with regards to this case.

o. In Cyprus, the National Betting Authority had suspended the Class A license of the company Royal Highgate Pcl Ltd. in which the Company has an indirect participation of approx. 35,08%, initially for a period of two months, alleging non-compliance of Royal Highgate Pcl Ltd. with specific terms of the license. Royal Highgate Pcl Ltd. considering that those requested by the National Betting Authority are beyond the provisions of the law, filed a recourse before the competent administrative court of Nicosia which was heard on 30 March 2018. The decision issued rejects the recourse for typical reasons. Royal Highgate Pcl Ltd. filed an appeal against this decision which is at the hearing process. In parallel, Royal Highgate Pcl Ltd. has filed three more recourses against decisions of the National Betting Authority relating to the suspension of the license of Royal Highgate Pcl Ltd. which are all scheduled for hearing on 9 October 2019 when their hearing was postponed for 11 February 2020. National Betting Authority started the procedure for the revocation of the license of Royal Highgate Pcl Ltd. and the latter submitted its arguments on 30 November 2018 without any further actions from the National Betting Authority. On 31 December 2018, the contractual term of the license of Royal Highgate Pcl Ltd. expired.

p. In USA, in South Carolina State, class actions were filed against the local lottery South Carolina Education Lottery Commission and the subsidiary Intralot, Inc. for breach of contract with the allegation that because of malfunctioning of the system there were winning tickets which were not paid and claiming a total compensation of approx. 35m USD (€32,1m). The local court accepted Intralot, Inc.'s motions to dismiss in two lawsuits, holding that the plaintiffs were required to exhaust administrative remedies and failed to do so. The other side filed appeals against such decisions which are pending. The third similar lawsuit was rejected finally by the court. The Group's management, relying on local expert legal counsels opinion, considers that the lawsuits have low probability of success. It is noted that with regards to such cases, the Group has a respective insurance coverage.

q. A former employee of the Company filed two lawsuits before the Athens First Instance Court requesting, with the first one, the payment of the amount of €133.179,47 for unpaid salaries and €150.000 as compensation for moral damages and, with the second one, the amount of €259.050 for overdue salaries calculated until 3 December 2019 and €150.000 as compensation for moral damages. The first lawsuit was heard on 28 February 2018 and the decision issued partially accepted the lawsuit in relation to the amount of €46.500,82. Both parties filed appeals against this decision which are

scheduled to be heard on 7 January 2020. The second lawsuit had been scheduled for hearing, following postponements, on 26 February 2020.

r. In Morocco, a judgment was notified to the subsidiary company Intralot Maroc deciding the payment of the amount of 3.360.000 MAD (€316.312,70) to a supplier company. The company Intralot Maroc filed an appeal which is was accepted and, therefore, Intralot Maroc does not owe this amount. The plaintiff filed a cassation appeal against this decision which is pending.

s. On 1 April 2019, the Company filed a Request for Arbitration before the ICC International Court of Arbitration requesting to be declared that the defendant Sisal SpA has breached a contract signed with Intralot by using, in Morocco, terminals and the software embedded therein. The arbitration procedure is in progress.

t. In Morocco, “La Société de Gestion de la Loterie Nationale” (“SGLN”) filed a lawsuit against the Company and its subsidiary Intralot Maroc claiming that it exercised unilaterally its option to transfer to it the equipment of Intralot which was used jointly by SGLN and the other local lottery “La Marocaine des Jeux et des Sports” (“MDJS”) and, because of Intralot’s denial, it suffered damages in the amount of MAD 18.000.000 (€1.694.532,31) which corresponds to the value of the equipment, while, additionally, it requests MAD 34.000.000 (€3.200.783,25) as loss of profit. It is also requesting the call of the letter of guarantee amounting to MAD 30.000.000 (€2.824.220,52). It is noted that according to the terms of the Intralot’s contracts with the two lotteries SGLN & MDJS, the option for the transfer of the equipment as well as any call of the letters of guarantee can only be exercised with a joint request of both entities SGLN & MDJS. The case is scheduled to be heard on 28 November 2019.

Until November 28, 2019, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group’s and the Company’s financial position and results.

B. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

I) SUBSIDIARIES

| COMPANY | YEARS | COMPANY | YEARS |
|---|-----------|--|----------------|
| INTRALOT S.A. | 2013-2018 | WHITE EAGLE INVESTMENTS LTD | 2017-2018 |
| BETTING COMPANY S.A. | 2013-2018 | BETA RIAL Sp.Zoo | 2014-2018 |
| BETTING CYPRUS LTD | 2013-2018 | POLLOT Sp.Zoo | 2014&2016-2018 |
| INTRALOT IBERIA HOLDINGS SA | 2015-2018 | TOTOLOTEK S.A. | 2014-2018 |
| INTRALOT JAMAICA LTD | 2010-2018 | NIKANTRO HOLDINGS Co LTD | 2013-2018 |
| INTRALOT TURKEY A.S. | 2014-2018 | LOTERIA MOLDOVEI S.A. | 2014-2018 |
| INTRALOT DE MEXICO LTD | 2009-2018 | INTRALOT BETTING OPERATIONS (CYPRUS) LTD | 2013-2018 |
| INTRALOT CHILE SPA | 2016-2018 | ROYAL HIGHGATE LTD | 2013-2018 |
| INTELTEK INTERNET AS | 2016-2018 | INTRALOT LEASING NEDERLAND B.V. | 2013-2018 |
| INTRALOT SERVICES S.A. | 2015-2018 | INTRALOT IRELAND LTD | 2014-2018 |
| INTRALOT ADRIATIC DOO | 2015-2018 | BILOT INVESTMENT LTD | 2016-2018 |
| BILYONER INTERAKTIF HIZMELTER AS GROUP | 2016-2018 | EUROBET LTD | 2013-2018 |
| INTRALOT MAROC S.A. | 2018-2019 | EUROBET TRADING LTD | 2014-2018 |
| INTRALOT INTERACTIVE S.A. | 2013-2018 | ICS S.A. | 2013-2018 |
| INTRALOT GLOBAL SECURITIES B.V. | 2013-2018 | TECNO ACCION URUGUAY S.A. (Pilmery Corporation S.A.) | 2016-2018 |
| INTRALOT CAPITAL LUXEMBOURG S.A. | 2018 | INTRALOT GLOBAL OPERATIONS B.V. | 2016-2018 |
| INTRALOT FINANCE LUXEMBOURG S.A. ¹ | 2018 | GARDAN LTD | - |
| INTRALOT GLOBAL HOLDINGS B.V. | 2013-2018 | GAMEWAY LTD | 2016-2018 |
| INTRALOT INC | 2016-2018 | INTRALOT ITALIAN INVESTMENTS B.V. | 2017-2018 |
| DC09 LLC | 2016-2018 | BIT8 LTD | 2013-2018 |

| | | | |
|------------------------------|----------------|--|-----------|
| INTRALOT AUSTRALIA PTY LTD | 2015-2018 | INTRALOT CYPRUS GLOBAL ASSETS LTD | 2013-2018 |
| INTRALOT GAMING SERVICES PTY | 2015-2018 | INTRALOT OOO | 2016-2018 |
| ILOT CAPITAL UK LTD | 2017-2018 | INTRALOT ST. LUCIA LTD | 2012-2018 |
| ILOT INVESTMENT UK LTD | 2017-2018 | INTRALOT HOLDINGS INTERNATIONAL LTD | 2013-2018 |
| INTRALOT NEDERLAND B.V. | 2010-2018 | INTRALOT INTERNATIONAL LTD | 2013-2018 |
| INTRALOT BENELUX B.V. | 2018 | INTRALOT OPERATIONS LTD | 2013-2018 |
| LOTROM S.A. | 2014-2018 | NETMAN SRL | 2014-2018 |
| INTRALOT BEIJING Co LTD | 2016-2018 | BILOT EOOD | 2013-2018 |
| TECNO ACCION S.A. | 2013-2018 | EUROFOOTBALL LTD | 2013-2018 |
| TECNO ACCION SALTA S.A. | 2015-2018 | INTRALOT TECHNOLOGIES LTD | 2013-2018 |
| MALTCO LOTTERIES LTD | 2013-2018 | INTRALOT LOTTERIES LTD | 2013-2018 |
| INTRALOT NEW ZEALAND LTD | 2013&2017-2018 | INTRALOT BUSINESS DEVELOPMENT LTD | 2013-2018 |
| INTRALOT DO BRAZIL LTDA | 2014-2018 | GAMING SOLUTIONS INTERNATIONAL SAC | 2014-2018 |
| OLTP LTDA | 2014-2018 | ENTERGAMING LTD | - |
| INTRALOT GERMANY GMBH | 2018 | INTRALOT BETTING OPERATIONS RUSSIA LTD | 2012-2018 |
| INTRALOT FINANCE UK LTD | 2017-2018 | INTRALOT DE COLOMBIA (BRANCH) | 2014-2018 |
| INTRALOT ASIA PACIFIC LTD | 2017-2018 | | |

¹ Intralot Finance Luxembourg S.A. has been merged with Intralot Capital Luxembourg S.A.

A tax audit is completed in Inteltek Internet AS for the period 2014-2015 as well as a VAT audit for the first quarter of 2019 in Intralot OOO, as well as a VAT audit in Intralot Leasing Nederland B.V. for the period 1/1/2013 – 30/06/2014. A tax audit is completed in Bilyoner İnteraktif Hizmetler A.Ş. for the period 2015 without any penalties and/or fines imposed while at the same time a tax audit is in progress for the years 2016-2018. In Lotrom S.A. the audit initiated by the local tax authorities with respect to financial activities for transactions subject to VAT for the period 2004-2014 was completed in the fourth quarter of 2016. So far the conclusion report has not been yet notified to the company. In Intralot Maroc SA tax audit and VAT is completed for the years 2016 & 2017, which imposed fines of amount €1.280 thous. (a tax provision was made of amount €461 thousand in the last quarter of 2018) that they were paid in the nine months of 2019. Last, a limited tax review for the years 2016 & 2017 was completed in Intralot Iberia Holdings S.A. without any penalties and/or fines imposed. In Intralot de Peru SAC and Totolotek S.A. tax audits completed for 2016 with no tax differences while audits for fiscal year 2017 are ongoing. Intralot Inc. has received a sales tax refund for the period November 2015-May 2018 from the Ohio Department of Revenue after an audit of an amount USD 177 thousand plus interest. Under the L.2238/94 Art. 82 par.5 of POL.1159/2011, the companies Betting Company S.A. and Intralot Interactive S.A. have received a tax certificate for the period 2013-2018, the company Intralot S.A. for the period 2014-2017 and the company Intralot Services S.A. for the period 2015-2018. The Company is in the process of receiving a tax certificate for fiscal year 2018 (pending for the tax authorities' audit reports). In Company during the tax audit for the year 2011, were imposed taxes on accounting differences plus surcharges amounting to €3,9 million. The Company lodged an administrative appeal against the relevant audit reports resulting in taxes reduction of €3,34 million. The Company filed new appeals to the Greek Administrative Courts which did not vindicate the Company, who filed an appeal before the Council of State. The Company's management and its legal advisors consider that there is a significant probability that the appeal will thrive finally for the most part. The Company has recognised sufficient provisions and has paid the whole amount of taxes. In the Company an audit order has been notified to the Company for the year 2013, as well as a partial audit on VAT for the period 01/02/2010 - 31/10/2012 on request for assistance from the Romanian to the Greek tax authorities on transactions with a Romanian company. Finally, in February 2019, the Company received a partial reaudit notification for the fiscal years 2011 & 2012. In October 2019, the Audit Note and the provisional determination of Income Tax, VAT, fines and penalties were disclosed. This Note temporarily provisioned the Company with additional taxes, fines and penalties of €6,9 million. The Company submitted an Audit Findings

Statement Report, refuting its claims, opposing its views and requests the charges to be amended. The Company's management and its legal advisors consider that there is a significant probability that the appeal will thrive, for the most part, either at this stage or at a higher court level. In the third quarter of 2019 a provision of €2,1 million was recognized for this case.

II) ASSOCIATE COMPANIES & JOINT VENTURES

| COMPANY | YEARS | COMPANY | YEARS |
|---|-----------|---------------------------------------|----------------|
| LOTRICH INFORMATION Co LTD | 2018 | LA CHANCE S.R.L. | 2016-2018 |
| INTRALOT SOUTH AFRICA LTD | 2018 | SLOT PLANET S.R.L. ³ | 2016-2017 |
| GOREWARD LTD | - | GAMENET SCOMMESSE S.p.A. ² | 2014-2017 |
| GOREWARD INVESTMENTS LTD | - | TOPPLAY S.R.L. | 2014-2018 |
| PRECIOUS SUCCESS LTD GROUP | - | GNETWORK S.R.L. | 2015-2018 |
| GAIN ADVANCE GROUP LTD | - | BILLIONS ITALIA S.R.L. | 2015-2018 |
| OASIS RICH INTERNATIONAL LTD | - | JOLLY VIDEOGIOCHI S.R.L. | 2014-2018 |
| WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD | - | ROSILSPORT S.R.L. | 2014-2018 |
| UNICLIC LTD | 2013-2018 | NEW MATIC S.R.L. | 2014-2018 |
| DOWA LTD | 2013-2018 | AGESOFT S.R.L. | 2016-2018 |
| GAMENET GROUP S.p.A. | 2016-2018 | GOLDBET S.R.L. ⁴ | 2014-2018 |
| GAMENET S.p.A. | 2014-2018 | THINKABOUT S.R.L. | - |
| INTRALOT ITALIA S.p.A | 2014-2018 | KARENIA ENTERPRISES COMPANY LTD | 2010-2018 |
| GAMENET ENTERTAINMENT S.R.L. | 2014-2018 | INTRALOT DE PERU SAC | 2015&2017-2018 |
| EASY PLAY S.R.L. | 2017-2018 | SERVICIOS TRANSDATA S.A. ¹ | 2012-2013 |

¹ The company Servicios Transdata SA have been merged with Intralot De Peru S.A.C.

² The company Gamenet Scommesse S.p.A. was merged with Gamenet S.p.A. on 1/1/2018.

³ The company Slot Planet S.R.L. have been merged with La Chance S.R.L.

⁴ The company GoldBet S.p.A. was merged with Intralot Italia S.p.A. as at 1/1/2019. As at 1/5/2019 Intralot Italia S.p.A. was renamed to GoldBet S.p.A.

In Servicios Transdata S.A the tax audit for income tax was completed in 2014, for the year 2008 and VAT for the period 1/1/2008-30/6/2009 imposing additional taxes and fines amounting to €3,4 million. The company has launched an objection procedure in accordance with the relevant legislation to cancel the imposed taxes and fines. The company's legal consultants believe that the most possible outcome of the case will be positive.

C. COMMITMENTS

I) Guarantees

The Company and the Group on September 30, 2019 had the following contingent liabilities from guarantees for:

| | GROUP | | COMPANY | |
|--------------|----------------|----------------|---------------|---------------|
| | 30/9/2019 | 31/12/2018 | 30/9/2019 | 31/12/2018 |
| Bid | 313 | 8.734 | 282 | 0 |
| Performance | 175.623 | 148.565 | 47.320 | 33.183 |
| Financing | 8.747 | 4.410 | 2.805 | 120 |
| Other | 224 | 227 | 224 | 227 |
| Total | 184.907 | 161.936 | 50.631 | 33.530 |

| | GROUP | |
|---|----------------|----------------|
| | 30/9/2019 | 31/12/2018 |
| Guarantees issued by the parent and affiliates: | | |
| -to third party | 184.907 | 161.936 |
| -to third party on behalf of associates | 0 | 0 |
| Total | 184.907 | 161.936 |

| | COMPANY | |
|--|---------------|---------------|
| | 30/9/2019 | 31/12/2018 |
| Guarantees issued by the parent: | | |
| - to third party on behalf of affiliates | 48.478 | 31.373 |
| - to third party on behalf of associates | 0 | 0 |
| - to third party on behalf of the parent | 2.153 | 2.157 |
| Total | 50.631 | 33.530 |

Beneficiaries of Guarantees:

Bid: La Marocaine des Jeux et des Sports, State of Victoria Australia

Performance: Arkansas Lottery Commission, Camelot Illinois LLC, Centre Monétique Interbancaire (CMI), City of Torrington, DC Lottery Board, District of Columbia, Georgia Lottery Corporation, GPT Pty Ltd, Hrvatska Lutrija D.O.O., İcra Dairesi Mudurluğu, Idaho State Lottery, La Société de Gestion de la Loterie Nationale & la Marocaine des Jeux et des Sports, Loteria do Estado de Minas Gerais, Lotteries Commission of Western Australia, Lotto Hamburg, Louisiana Lottery Commission, Lutrija Bosne i Hercegovine D.O.O., Malta Gaming Authority, Milli Piyango İdaresi Genel Mudurluğu, New Hampshire Lottery Commission, New Mexico Lottery Authority, Ohio Lottery Commission, Polla Chilena de Beneficencia S.A., South Carolina Education Lottery, South Carolina Education Lottery Systems & Other Services, South Dakota Lottery, Spor Toto Teşkilat Başkanlığı, State of Montana, State of Ohio, Lottery Gaming System, State of Vermont - Vermont Lottery Commission, Stichting Exploitatie Nederlandse Staatsloterij, T.C. Basbakanlık Gençlik ve Spor Genel Mudurluğu Spor Toto Teşkilat Başkanlığı, Town of Greybull, Town of Jackson, City of Gillette, Turk Telekomunikasyon, Wyoming Lottery Corporation, Information society S.A., OPAP S.A.

Financing: Bogazici Kurumlar Vergi Dairesi Mudurluğu, Denizli İcra Mudurluğu, State of Ohio - Department of Health, Hanseatische Immobilienfonds GmbH, Storm Computers D.o.o., Airport EL Venizelos Customs, Eleusis Customs

Other: Teknoloji Holdings

II) Lease commitments

| GROUP | Minimum of the lease payments | Present value of the minimum lease payments | Minimum of the lease payments | Present value of the minimum lease payments |
|-----------------------|-------------------------------|---|-------------------------------|---|
| | 30/9/2019 | 30/9/2019 | 31/12/2018 | 31/12/2018 |
| Within 1 year | 7.968 | 7.213 | 1.828 | 1.726 |
| Between 2 and 5 years | 11.201 | 9.979 | 1.844 | 1.797 |
| Over 5 years | 3.598 | 3.123 | 0 | 0 |
| Minus: Interest | -2.452 | 0 | -149 | 0 |
| Total | 20.315 | 20.315 | 3.523 | 3.523 |

| COMPANY | Minimum of the lease payments | Present value of the minimum lease payments | Minimum of the lease payments | Present value of the minimum lease payments |
|-----------------------|-------------------------------|---|-------------------------------|---|
| | 30/9/2019 | 30/9/2019 | 31/12/2018 | 31/12/2018 |
| Within 1 year | 830 | 716 | 0 | 0 |
| Between 2 and 5 years | 1.557 | 1.369 | 0 | 0 |
| Over 5 years | 307 | 269 | 0 | 0 |
| Minus: Interest | -340 | 0 | 0 | 0 |
| Total | 2.354 | 2.354 | 0 | 0 |

III) Other commitments

The Group has contractual obligations for the purchase of telecommunication services for the interconnection of points of sale. The minimum future payments for the remaining contract duration on September 30, 2019 were:

| GROUP | 30/9/2019 | 31/12/2018 |
|-----------------------|------------------|-------------------|
| Within 1 year | 896 | 2.010 |
| Between 2 and 5 years | 1.371 | 1.800 |
| Over 5 years | 123 | 221 |
| Total | 2.390 | 4.031 |

2.22 COMPARABLE FIGURES

In the presented data of the previous years, there were limited adjustments/reclassifications for comparability purposes, with no significant impact on "Equity", "Sale Proceeds" and "Profit / (loss) after tax" of the Group and the Company.

In addition, when finalizing the analysis of the impact of the application of IFRS 15 at the end of 2018, the Group has decided to reclassify consideration (bonuses, marketing incentives, etc.) payable to customers, or customers of Group's customers when the Group operates as an agent, from "Cost of Sales" and "Selling Expenses" to be deducted by "Sale Proceeds". Below are the relative reclassifications of comparative periods for 2018.

| Amounts in thousand € | GROUP 1/1-30/9/2018 | | | Total |
|------------------------------|------------------------|--|---|----------------|
| | Initial Publication | Subsequent Discontinued Operations | Consideration Payable to Customers reclassification | |
| Sale Proceeds | 798.645 | -186.820 | -15.131 | 596.694 |
| Less: Cost of sales | -636.442 | 163.129 | 820 | -472.493 |
| Gross Profit / (loss) | 162.203 | -23.691 | -14.311 | 124.201 |
| Selling Expenses | -43.899 | 4.507 | 14.311 | -25.081 |
| EBIT | 66.856 | -16.099 | 0 | 50.757 |
| EBITDA | 114.917 | -16.789 | 0 | 98.128 |

2.23 APPLICATION OF IAS 29 "FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES"

The Group operates in Argentina through its two subsidiaries Techno Accion SA and Techno Accion Salta SA. Since the third quarter of 2018, the cumulative 3-year inflation index in Argentina has exceeded 100% and the country is now considered as a hyperinflationary economy for accounting purposes under IAS 29. The Group applied, for the first time in the nine months of 2018, IAS 29 and restated to current purchasing power in the financial statements (2018 transactions and non-cash balances) of the above subsidiaries that use ARS as functional currency and present their financial statements at historical cost. The restatement was made using the (IPIM) Internal Index Wholesale Prices and applied pursuant to IAS 29, as if Argentina has always been a hyperinflationary economy. The cumulative effect of the application of IAS 29 by 31/12/2017 was recorded as an adjustment to the opening balance of equity for the year 2018. In accordance with IAS 21, paragraph 43, the comparable Income Statement of the Group (1 / 1- 30/6/2018) has not been restated since its first application was in the nine months of 2018.

Below is an analysis of the cumulative effect (after the relevant consolidation eliminations) of the non-cash assets, liabilities and equity from the application of IAS 29 by 31/12/2017 (adjustment to the opening balance of equity for the year 2018):

| Amounts in thousand € | GROUP 1/1/2018 |
|-----------------------|-------------------|
| ASSETS | |
| Tangible assets | 1.800 |

| | |
|--|--------------|
| Intangible assets | 42 |
| Trade receivables | 98 |
| TOTAL ASSETS | 1.940 |
| EQUITY AND LIABILITIES | |
| Other reserves | 626 |
| Retained earnings | 5 |
| Total equity attributable to shareholders of the parent | 631 |
| Non-controlling interest | 631 |
| Total equity | 1.262 |
| Deferred tax liabilities | 678 |
| Total long term liabilities | 678 |
| TOTAL LIABILITIES | 678 |
| TOTAL EQUITY AND LIABILITIES | 1.940 |

The result (after the relevant consolidation eliminations) from the restatement of the non-cash assets, liabilities and transactions of the first half of 2019 following the application of IAS 29 amounted to a profit of €386 thousand and was recorded in the Income Statement (line "Gain/(loss) on net monetary position").

The conversion FX rates of the financial statements of the above subsidiaries were:

Statement of Financial Position:

| | 30/9/2019 | 31/12/2018 | Change |
|-----------|-----------|------------|--------|
| EUR / ARS | 62,75 | 43,10 | 45,59% |

Income statement:

| | AVG 1/1-30/9/2019 | AVG 1/1-30/9/2018 | Change |
|------------------------|-------------------|-------------------|---------|
| EUR / ARS ¹ | 62,75 | 29,76 | 110,85% |

¹ The Income Statement of the first nine months of 2019 of the Group's subsidiaries operating in Argentina was converted at the closing rate of 30/9/2019 instead of the Avg. 1/1-30/9/2019 pursuant to IAS 21, paragraph 42a, for hyperinflationary economies.

2.24 SIGNIFICANT FLUCTUATIONS, RECLASSIFICATIONS & REVERSALS

Income Statement

Below are the most significant fluctuations in the Group's Income Statement for the period 1/1-30/9/2019 compared to 1/1-30/9/2018:

Sale proceeds

Sale proceeds decreased by €41,1 million, or by 6,9%, from €596,7 million in the period 1/1-30/9/2018 to €555,6 million in the period 1/1-30/9/2019. This decrease was mainly driven by the decreased revenue in the segments "Licensed operations" and "Management contracts". Particularly, Sale proceeds decreased by €22,1 million in Bulgaria (driven mainly by Sports Betting performance as a result of a conservative payout strategy), by €25,4 million in Argentina (due to the negative FX impact and the application of IAS 29), by €10,6 million in Greece (primarily driven by the transition to the new OPAP contract), by €3,8 million in Turkey (due to the negative FX impact and the discontinued contract of Inteltek Internet A.S. after August of 2019), by €1,3 million in Russia (due to the discontinued contract) and by €2,1 million in Morocco (performance mainly impacted by the decreased Numerical sales following the discontinuation of the contract with one of the two lotteries (SGLN)).

Sale proceeds increased by €19,3 million in USA (mainly driven by the contribution of our new contract in Illinois (mid-February of 2019), the sales of equipment in Arkansas during the third quarter of 2019

and of a Powerball jackpot occurred in the first quarter of 2019), by €2,7 million in Netherlands (due to improved Sports Betting performance), and by €0,9 million in Chile (a result of a significant Lotto jackpot in the first quarter of 2019).

Sale Proceeds for the period 1/1-30/9/2019 on a constant currency basis, net of negative FX impact of €40,1 million, amounted to €595,6 million meaning an decrease by 0,2% compared to the period 1/1-30/9/2018.

Gross Profit

Gross profit decreased by €20,9 million, or by 16,8%, from €124,2 million in the period 1/1-30/9/2018 to €103,3 million in the period 1/1/-30/9/2019. This decrease is mainly driven from the decrease in Sale proceeds as analyzed above, as well as the increased Cost of Sales, mainly due to the smaller scope of the OPAP contract with freed resources allocated towards the successful and efficient delivery of Group products under contracts' pipeline, as well as due to the increased depreciation because of the significant capex investments during the last two years, and the IFRS 16 first time application.

Other Operating Income

Other operating income increased by €2,6 million, or 23,9%, from €10,9 million in the nine months period ended September 30, 2018 to €13,5 million in the nine months period ended September 30, 2019. The major driver of this increase was the higher equipment lease income in USA.

Selling Expenses

Selling expenses increased by €5,1 million, or 20,3%, from €25,1 million in the nine months period ended September 30, 2018 to €30,2 million in the nine months period ended September 30, 2019. This increase was primarily due to higher training costs of the retailers' network for the roll out of the Illinois contract in USA, as well as higher advertising costs in Turkey.

Administrative Expenses

Administrative expenses increased by €6,1 million, or 11,7%, from €52,2 million in the nine months period ended September 30, 2018 to €58,3 million in the nine months period ended September 30, 2019. This increase was primarily due to higher costs in USA because of the Illinois contract launch.

Other operating expenses

Other operating expenses increased by €5,0 million, from €3,5 million in the period 1/1-30/9/2018 to €8,5 million in the period 1/1/-30/9/2019. This increase is mainly due to the one-off provisions in 2019 for personnel dismissal allowances in Turkey due to the discontinued contract of Inteltek Internet A.S., as well as to the contractual penalties in Morocco.

EBITDA

EBITDA decreased by €19,3 million, or by 19,7%, from €98,1 million in the period 1/1-30/9/2018 to €78,8 million in the period 1/1/-30/9/2019. This decrease is mainly driven by the decrease in Sale proceeds from the negative FX impact, the decrease in Gross Profit and the increase in operating expenses as analyzed above.

EBITDA for the period 1/1-30/9/2019 on a constant currency basis, net of negative FX impact of €9,0 million, amounted to €87,8 million meaning a decrease by 10,5% compared to the period 1/1-30/9/2018.

Income/(expenses) from participations and investments

Income/(expenses) from participations and investments increased by €8,2 million, from €2,6 million in the period 1/1-30/9/2018 to €10,8 million in the period 1/1-30/9/2019. This increase is mainly driven from the gain of the sale of our investment in Hellenic Lotteries S.A., as well as from the gain from the repurchase, during the third quarter of 2019, of the bonds due in 2024.

Gain / (losses) from assets disposal, impairment loss and write-off of assets

Gain / (losses) from assets disposal, impairment loss and write-off of assets deteriorated by €3,6 million, from loss €0,3 million in the period 1/1-30/9/2018 to loss €3,9 million in the period 1/1-30/9/2019. This deterioration is mainly driven by the increased impairment provisions of assets, mainly due to the impairment provision of goodwill in subsidiary Inteltek A.S. (note [2.10](#)) of €3,0 million following the award of the competition for Iddaa game, that completed in the first quarter of 2019, to another bidder.

Interest and Similar Expenses

Interest and similar expenses increased by €2,3 million, or 6,1%, from €37,9 million in the nine months period ended September 30, 2018 to €40,2 million in the nine months period ended September 30, 2019. This increase was primarily due to the first time application in 2019 of IFRS 16 accounting for lease agreements, as well as higher interest expenses from US facility.

Interest and Related Income

Interest and related income decreased by €2,4 million, or 36,9% from €6,5 million in the nine months period ended September 30, 2018 to €4,1 million in the nine months period ended September 30, 2019, primarily due to higher interest income on bank deposits and debtors in 2019.

Exchange Differences

The account "Exchange Differences" in the period 1/1-30/9/2019 of €6,2 million mainly refers to gain of approximately €4,8 million from valuation of cash balances in foreign currency other than the functional currency of each entity, as well as gain of approximately €1,4 million from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad had as at 30/9/2019, with a different functional currency than the Group.

Profit / (loss) from equity method consolidations

Profit from equity method consolidations amounted in the period 1/1-30/9/2019 to €3,5 million compared to profit of €1,5 thousand in the period 1/1-30/9/2018. This is mainly driven by Gamenet's improved outlook following Goldbet's acquisition.

Further analysis for the accounts Group Income Statement for the period 1/1-30/9/2019 compared to 1/1-30/9/2018 is provided in the SEMI-ANNUAL Group Management report ("INTRALOT Group MANAGEMENT'S DISCUSSION & ANALYSIS") for the first nine months of 2019 that has been posted in the website www.intralot.com.

Statement of Financial Position

No significant reclassifications were made to the Group's statement of financial position as of 30/9/2019 compared to the 31/12/2018, except the ones reported in note [2.1.4](#), after the IFRS 16 first time application.

Contract of OPAP technical support

Intralot Group relationship with Greek Organization of Football Prognostics S.A. (OPAP) began in 1999. On September 2014 The Group signed a four year technology contract with OPAP. Under this contract, the Group has undertaken the implementation of new Data Centers and the provision of hardware and system software as well as services for operation, maintenance, technical support and system development. On February 1, 2017 OPAP announced that they will not seek to renew their technology contract with the Group, which expires on July 30, 2018, and instead will appoint another technology provider. In December 2017, the Group and OPAP agreed the extension of their cooperation, specifically in the field of numerical lotteries that relates to a limited scope compared to the previous contract. New contract, starting on August 1, 2018 has a duration of three years and includes an option for OPAP to renew for an additional two years.

2.25 SUBSEQUENT EVENTS

On November 29, 2019 INTRALOT announced that its U.S. subsidiary INTRALOT Inc., has signed a contract extension to provide its Sports Betting solutions to the New Hampshire Lottery Commission. INTRALOT will offer sports betting starting in early 2020 at over 1,300 existing lottery retailers in New Hampshire.

Maroussi, November 29, 2019

**THE CHAIRMAN OF THE BOD AND
GROUP CEO**

**THE DEPUTY CHIEF EXECUTIVE OFFICER AND
MEMBER OF THE BOD**

**S.P. KOKKALIS
ID. No. AI 091040**

**C.D. SFATOS
ID. No. AH 641907**

THE GROUP CFO

THE GROUP ACCOUNTING DIRECTOR

**A. A. CHRYSOS
ID No. AK 544280**

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